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Messrs MacPherson & Co  
James Harvey Harris  
Richards

*[Signature]*

Exhibit R-17-1

SUBMISSION BY


PRODUCERS PIPELINES LTD.

and

WESTSPUR PIPE LINE COMPANY

to

THE ROYAL COMMISSION ON ENERGY



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SUBMISSION BY PRODUCERS PIPELINES LTD. and WESTSPUR PIPE  
LINE COMPANY TO THE ROYAL COMMISSION ON ENERGY

INTRODUCTION

Producers Pipelines Ltd. and Westspur Pipe Line Company have prepared this Submission in order to provide the Royal Commission with information about the nature and extent of the business of the two companies as operators of oil pipelines. In order to assist the Royal Commission, this Submission examines the reasons for the creation of two separate companies; their corporate organization; their construction programs; their pipeline operations and their financial structure. This Submission also reviews the Statutory provisions conferring jurisdiction on Federal and Provincial authorities and offers some comment on the effect of that jurisdiction over the gathering and transportation of oil in the expanding south-eastern Saskatchewan area in which the two companies operate.

For the sake of convenience, Producers Pipelines Ltd. and Westspur Pipe Line Company are in most cases, in this Submission referred to as "Producers" and "Westspur" respectively.

SECTION I

ECONOMIC CONSIDERATIONS

The orderly and economic development of an oil field requires facilities for transportation of crude oil at low cost. Bearing this in mind as an element in the economic planning of all phases of operations in the oil industry, from exploration, drilling and production to marketing, a study of Producers and Westspur and their relationship to producing oil companies will, it is thought, be of interest to the Royal Commission.

Both Companies were organized by producing oil companies or their affiliates operating in south-eastern Saskatchewan, because these companies considered that a pipeline owned by producing companies would be in their best interests. Producers now holds all the shares in Westspur, except Directors' qualifying shares, and all the shares in Producers are held by producing oil companies. This close relationship with the producers has resulted in the two companies being kept well informed of the progress of exploration, and development drilling.

Producers and Westspur publish tariffs which are kept under constant review with the object of reducing transportation costs. Copies of current tariffs are contained in Appendix Number 1. In addition to the tariffs under which crude oil may be transported to the tankage of Interprovincial Pipe Line Company at Cromer, Manitoba; Westspur has entered into Joint Tariffs with Interprovincial Pipe Line Company and Lakehead Pipe Line Company for the transportation of medium crude to Wrenshall in Minnesota, and to Superior in Wisconsin, and also with Interprovincial, Lakehead and Minnesota Pipe Line Companies for the transportation of medium crude to St. Paul and Pine Bend in Minnesota.





## CONSTRUCTION

Towards the end of 1954, the rapid rate of discovery of crude oil production in south-east Saskatchewan led Imperial Oil Limited to investigate the possibility of the provision of pipeline facilities. After investigation, Imperial Oil Limited was convinced of the need for a 12-inch trunk line leading from Midale in Saskatchewan, through the area at that time known to be producing, and across the Manitoba-Saskatchewan boundary to connect with the Interprovincial Pipe Line at Cromer, Manitoba. Because an interprovincial boundary would be crossed, it was necessary to set up a pipe line company by a Special Act of Parliament. Westspur was so incorporated on May 26, 1955, and on October 13, 1955, was granted a Permit by the Board of Transport Commissioners in the following terms:

"That leave be, and it is hereby, granted to  
"Westspur to construct a pipe line consisting of  
"one or more lines of pipe for the transportation  
"of crude oil and other liquid and gaseous hydro-  
"carbons from a point in the vicinity of Midale,  
"Saskatchewan, to a point in the vicinity of Cromer,  
"Manitoba, and a spur from Alida to Nottingham,  
"both in Saskatchewan, the general location of the  
"pipe line and spur being as shown on the map dated  
"May 31, 1955, filed with the Board under file No.  
"45371.27, together with such pipe lines and other  
"facilities as may be required for the purpose of  
"gathering crude oil and other liquid and gaseous  
"hydrocarbons along and in the vicinity of the pipe  
"line route."

Construction was started on November 12, 1955, but almost immediately was held up by severe weather and then restarted in Spring of 1956. Subsequently, Westspur constructed gathering facilities in the areas of Midale, Steelman, Frobisher, Alida, Nottingham, Rosebank, Ingoldsby, and Edenvale. The first delivery of crude oil to the Interprovincial pipe line was made on July 18, 1956. By this time, the need for an extension of the pipe line to the Weyburn field was apparent. During August of 1956, two other pipe line companies made application to the Minister of Mineral Resources of the Province of Saskatchewan for permission to construct a gathering system in the Weyburn field. The Minister of Mineral Resources, on September 28, 1956, granted Trans-Prairie Pipelines Limited a permit to construct. Westspur, being under Federal jurisdiction, made application to the Board of Transport Commissioners on September 16, 1956, but at the Hearing on October 15, 1956, their application was dismissed. On November 5, 1956, Westspur again applied to the Board of Transport Commissioners, this time for a permit to build a pipe line into the Florence-Carnduff-Glen Ewen area. The application was heard in Ottawa on November 22 and November 23, 1956, and the Board of Transport Commissioners reserved their decision.





In an effort to find a solution to the problems arising out of the overlapping Dominion and Provincial jurisdiction a new company, Producers Pipelines Ltd., was incorporated under the Laws of the Province of Saskatchewan on February 27, 1957 and became the parent company of Westspur rather than its subsidiary in order to provide separate jurisdictional status for the two companies. Producers applied for, and obtained from, the Minister of Mineral Resources, a Permit to construct a pipeline into the Florence-Carnduff-Glen Ewen area. Westspur withdrew its application and Producers proceeded on the strength of the Permit obtained by it on March 18, 1957, from the Minister of Mineral Resources. Later during 1957, Westspur authorized by the Board of Transport Commissioners, constructed a 16-inch pipeline from Steelman, Saskatchewan, to Cromer, Manitoba, which looped the original Westspur 12-inch line for 75 miles. During the same period, Producers, authorized by the Minister of Mineral Resources, constructed the Florence-Carnduff-Glen Ewen gathering system and also pipelines into the Arlington-South Manor and Oxbow areas, Producers also constructed all additional gathering facilities in Midale, Steelman, Frobisher, Alida, Nottingham, Rosebank, West Kingsford, Oxbow, Glen Ewen, Carnduff and South Manor fields. As a result of this development in four of the main gathering areas ownership of the gathering network is divided between the two companies.

In order to remedy the difficulties of operating their integrated systems under divided ownership, on November 5, 1957, Westspur applied to the Board of Transport Commissioners for permission to sell and convey its gathering systems to Producers. This application was dismissed on the ground that Westspur's gathering lines form part of its interprovincial undertaking and that Producers could not operate the gathering lines because it is not a Special Act Company.

The pipeline system operated by Westspur and the system operated by Producers, gathering and transporting crude oil under Federal and Provincial jurisdiction, are shown on the map forming Appendix Number 2. The problems introduced by divided ownership of an integrated system stem from the conflict of jurisdiction under present Dominion and Provincial legislation. These problems are not confined to Producers and Westspur but affect the pipeline industry as a whole.

During 1956, Westspur delivered to Interprovincial Pipe Line Company tankage at Cromer, Manitoba, 4,133,711 barrels of crude oil. In 1957, Westspur delivered 19,814,042 barrels of crude oil.

Appendix Number 3 contains a table of the length and varying size of pipe which has been used. It should be noted that the small quantity of pipe laid during 1955 has been included under the heading for 1956. The growth of the system operated by Producers and Westspur is indicated by the following consolidated figures:

	<u>1955</u>	<u>1956</u>	<u>1957</u>
Total Assets	\$3,893,936	\$8,492,208	\$16,178,970





By December 31, 1957, the capacity of the trunk line was 95,000 barrels per day. The construction planned for 1958 will increase this capacity to 133,000 barrels per day. At present, 81,000 barrels per day are being shipped (16,000 barrels of light crude oil and 65,000 barrels of medium crude oil.)

### OPERATIONS

South-east Saskatchewan produces both light and medium crude oil. Light crude comes from the areas of Steelman, Frobisher, Alida, Glen Ewen, Carnduff, Oxbow, Nottingham, Ingoldsby, Rosebank and Arlington. Medium crude comes from the areas of West Kingsford, Midale and South Ingoldsby. Both light and medium crude are produced in the Weyburn area. Sulphur content, which is higher in medium crude, ranges from 1% to 3%.

All medium crude is purchased by Great Northern Oil Purchasing Company and is shipped to the following refineries in the Northern part of the United States:

<u>COMPANY</u>	<u>LOCATION</u>	<u>REFINERY CAPACITY (BARRELS PER DAY)</u>	<u>PRESENT PURCHASES</u>
Lake Superior Refinery Co.	Wisconsin	16,500	5,000
Great Northern Oil Company	Minnesota	30,000	8,116
International Refinery Inc.	Minnesota	12,000	3,170
Northwestern Refinery Co.	Minnesota	16,000	nil
	TOTAL	74,500	16,286

All light crude is purchased by Imperial Oil Limited for Canadian markets and is shipped to the following refineries:

<u>COMPANY</u>	<u>LOCATION</u>	<u>REFINERY CAPACITY (BARRELS PER DAY)</u>	<u>PRESENT PURCHASES</u>
Imperial Oil Limited	Winnipeg, Man.	17,500	21,807 *
North Star Oil Ltd.	Winnipeg, Man.	12,000	2,687
Imperial Oil Limited	Sarnia, Ont.	80,000	30,483
B.A. Clarkson	Toronto, Ont.	61,500	nil
Regent Refining	Pt. Credit, Ont.	20,000	5,890
Canadian Oil Co. Limited	Corunna, Ont.	30,000	6,330
	TOTAL	209,000	64,503

\*Apparently building crude oil inventory.





Westspur owns both gathering and trunk line systems, whereas Producers only owns a gathering systems. The operations of the companies are so arranged that the gathering systems are considered to be separate from the trunk line system.

The prime function of a crude oil gathering system is to gather or accept oil for a crude oil purchaser or shipper's account at the lease tanks of producing oil companies and to transport this crude to a trunk line system. The gathering system should be operated in a manner that will keep lease tankage at a minimum without restricting the continuous operation of the producing wells.

A trunk line transports the crude supplied by the gathering systems either as a batch of one type of crude or as a common or mixed stream of several crudes. Deliveries are made either to a refinery or to an adjoining trunk line carrier. Westspur, as previously noted, delivers all of its crude to Interprovincial Pipe Line tankage at Cromer, Manitoba. In order to properly schedule crude oil movements a trunk line is required to have terminal storage facilities and in the case of the Westspur system these are located at Midale, Steelman, Frobisher and Alida. Main line pumps are located at these points as well as facilities for unloading crude oil from trucks.

As both light and medium crude is delivered to the trunk line terminal at Midale a batching method is used to move the crude through the single 12" line to the Steelman terminal. From Steelman to Cromer the 12" line is used exclusively for medium crude while the 16" line is reserved for light crude.

## TAXATION

### INCOME TAX

The provisions of the Income Tax Act R.S. 1952 cap. 148 as amended, permit a capital cost allowance on pipelines of a maximum of 6% calculated on the diminishing balance system as a deduction from income unless, in the case of a pipe line for oil or natural gas, the Minister, in collaboration with the Minister of Mines and Technical Surveys, is satisfied that the main source of supply for the business for which the pipe line was acquired is likely to be exhausted within 15 years. Presumably such pipelines, not being specifically listed, are subject to the general rate of 20%.

The Income Tax Act does not permit pipe line companies to deduct from income a capital cost allowance on rights-of-way. As at December 31, 1957, the companies have approximately \$250,000 invested in rights-of-way which they should be allowed to deduct from income over a reasonable period by way of a capital cost allowance.

A Company's investment in gathering systems is placed in the same class for capital cost allowance purposes as is investment in a trunk line, and the gathering systems are treated as a whole rather than by conservation areas.





The useful life of a pipe line depends on the lie of the field it serves.

It is submitted that rights-of-way and easements should be included under the general heading of "pipelines" and subject to capital cost allowance.

It is submitted that for capital cost allowance purposes investment in trunk lines and in gathering lines should be considered separately. Provision is made in the Uniform Code of Accounts issued by the Board of Transport Commissioners, for segregating investment in this manner.

It is submitted that in determining the rate of capital cost allowance on investment in pipe lines gathering oil from fields consideration should be given to the life of the individual fields served.

## SECTION II

### THE CORPORATE POWERS OF THE TWO COMPANIES

The Parent company, Producers is incorporated under the laws of the Province of Saskatchewan, and the subsidiary company, Westspur, is incorporated by Special Act of Parliament of the Dominion of Canada. Their corporate structure and powers are considered in Appendix 4, which also lists officers and directors.

### FEDERAL AND PROVINCIAL JURISDICTION

The Westspur system consisting of the trunk line from Midale in Saskatchewan to Cromer in Manitoba, which is approximately 109 miles long, and the gathering systems constructed and operated by Westspur have been constructed and are operated under the authority from time to time granted by the Board of Transport Commissioners under the Pipe Lines Act of Canada.

In 1955 application was made by three companies, one of which was Westspur, to the Board of Transport Commissioners for leave to construct a pipe line from Midale to Cromer, together with related gathering facilities. These three applications were heard together and the Board of Transport Commissioners rendered its decision in favour of Westspur. In his reasons for Judgment, dated October 13, 1955, Kearney, J., Chief Commissioner, included the following findings:

"Much evidence was given as to what each  
"proposed undertaking in fact is, the manner  
"in which it is to be carried on, and the  
"physical characteristics of the project.

" Having regard to that evidence and the  
"terms of the Special Acts of the Applicants,  
"we find that in each case the gathering lines  
"are part of the proposed interprovincial or  
"extra-provincial pipe line and that the entire  
"line comes within the above quoted words of Section  
"92 (10) (a) (i.e. of the British North America  
"Act 1867) 'other works and undertakings



"connecting the province with any other or others  
 "of the provinces, or extending beyond the limits  
 "of the province" and consequently is subject to the  
 "legislative authority of the Parliament of Canada."

Subsequently, in 1956, Westspur applied to the Board of Transport Commissioners again, pursuant to Section 12 of The Pipe Lines Act of Canada, for leave to construct a pipe line from a point in the vicinity of Weyburn, Saskatchewan to its existing Midale Terminal, as an extension of its Company pipe line. The application was dismissed and in his Judgment the Assistant Chief Commissioner stated in part as follows:

" Counsel for Saskatchewan submitted that  
 "the system proposed by Westspur is really a  
 "gathering system and put forward the Province's  
 "position 'that all gathering pipe lines and feeder  
 "pipe lines wholly within the Province should be  
 "under provincial jurisdiction.' However, he also  
 "stated that the Province is not suggesting that this  
 "Board has not jurisdiction to grant Westspur's  
 "application but he submitted that this Board should  
 "not grant leave to Westspur to construct its proposed  
 "line under the circumstances, particularly as the  
 "provincial authority had seen fit to grant the above  
 "mentioned permit to Trans-Prairie and the latter's line  
 "was actually being constructed at the date of the hearing  
 "of Westspur's application."

....." Counsel for Westspur submitted that its proposed  
 "line would be in law and in fact an extension of  
 "Westspur's present interprovincial pipe line system  
 "and that there is no question that the Board has  
 "jurisdiction to grant the application."

....." It is our opinion, and we so find, that the  
 " proposed pipe line system of Westspur, if it  
 "were constructed, would be in fact an extension  
 " of its present interprovincial company pipe line  
 "which was authorized by the previously mentioned  
 "Judgment and Order of this Board No. 87142, dated  
 "October 13, 1955, and that this Board has jurisdiction  
 "to grant the application."

In November, 1957, Westspur made application to the Board of Transport Commissioners to be allowed to sell the gathering portion of its company pipe line to Producers. In his submission counsel for Westspur urged that the first order of the Board of Transport Commissioners had to cover the complete project, not only as an interprovincial line but also the gathering lines, because at that time there was nothing else there. He urged that in the space of two years there had been a change in the character of the gathering lines and that the trunk line should be operated as an interprovincial line by Westspur in accordance with the provisions of the Pipe Lines Act of Canada and that the gathering lines should be operated by Producers. Evidence was given that all of the gathering lines which Westspur wished to sell to Producers were physically situated entirely within the Province of Saskatchewan; that there was a difference in the operation of





a gathering oil pipe line system and a trunk oil pipe line system in the sense that, as the throughput increases the gathering lines will become a separate function of the whole system and the trunk line will become a carrier of all the oil that is delivered to it by the gathering systems. It was emphasized that the main concern of the trunk line was to keep the line running at the proper capacity and to get rid of the oil at the other end, whereas at that point the gathering system then becomes an organization which is primarily dealing with the producers that are customers. The Board of Transport Commissioners did not accept the fact of increased throughput as being decisive of the question whether the gathering lines were in fact local or an integral part of the Westspur interprovincial system.

The Board of Transport Commissioners found that Westspur's undertaking, including its gathering lines, is one and indivisible and that its gathering lines cannot be considered to be severable units to the extent that even with a change of operation and ownership, they would cease to be part of an extra-provincial line. The Board found on the evidence before it that the gathering lines in question could not be held as a matter of law to be local in character, and that the proposed sale would not in fact change the character of Westspur's gathering lines and that they would if the application were granted, remain part of an extra-provincial pipe line. In reaching this decision, the Board of Transport Commissioners considered amongst other cases, Luscar Collieries Ltd. v McDonald (1927) A.C. 925 in which it was held that a provincial railway, branching from a line which branched from the Canadian National Railway, both branches being operated by the Canadian National Railway under agreements, brought the provincial railway within the exclusive jurisdiction of the Dominion Parliament under Paragraph (a) of Head 10 of Section 92 of the British North America Act of 1867. Head 10 (a) of Section 92 which enumerates certain classes of subjects excepted from those assigned exclusively to the legislature of the provinces, is as follows:

"10. Local Works and Undertakings other than such as are of the following classes:

(a) Lines of Steam or other ships, Railways, Canals, Telegraphs, and other Works and Undertakings connecting the Province with any other or others of the Province, or extending beyond the Limits of the Province;"

The Board of Transport Commissioners also held that the language of Section 10 A of the Pipe Lines Act of Canada plainly and unequivocally prohibits Producers from operating the lines in question since it is a provincial company and not a Special Act Company.

It is respectfully submitted that the law as it is does not exclude the exercise by a province of jurisdiction to permit a pipe line company operating under the jurisdiction of that province from joining its pipe line with and delivering the oil which it carries to, a pipe line system which is operated under the jurisdiction of the Federal Government.





However, the division between Federal and Provincial spheres of jurisdiction over pipe lines, clear cut though it may seem to be when each jurisdiction is considered separately, in practice appears to possess a penumbra of duplication and uncertainty which is the cause of some difficulty to Producers and Westspur in attempting to plan for the future. This difficulty could be removed by an amendment to the existing legislation in order to define clearly the areas of jurisdiction to be exercised by the Federal and Provincial Authorities.

The statutory provisions relating to the jurisdiction of Federal and Provincial Authorities are reviewed in Appendix Number 5.

## FINANCIAL STRUCTURE

### (a) WESTSPUR PIPE LINE COMPANY

It was estimated that \$6,400,000 was required for the construction of Westspur's system (including provision for working capital). This sum was raised by the sale of \$4,800,000 of First Mortgage Bonds and by the sale at par of 160,004 shares to producing oil companies. Later 4,800 shares were sold at \$12.50 to another producing oil company which wished to participate. After the parent company was formed further capital was obtained partly from earnings retained and partly from loans made by the parent company. Figures showing the capital structure of Westspur as at December 31, 1957 are given in Appendix Number 6 together with lists of shareholders as at December 31, 1956 and December 31, 1957.

### (b) PRODUCERS PIPELINES LTD.

On March 8, 1957, Producers acquired 164,772 of the 164,804 outstanding shares of Westspur in exchange for shares of Producers issued at par. An offering at par of 16,443 common shares and 180,874 preference shares was made to the shareholders for cash. The sale of shares provided \$1,973,170; bank loans provided the balance of the funds required.

Figures showing the capital structure of Producers as at December 31, 1957, are shown in Appendix #7 together with a list of shareholders as at December 11, 1957.

(Note: The Officers and Directors of the two companies are listed in Appendix #4).



A P P E N D I X 1

TARIFFS





TARIFF No. 1

PRODUCERS PIPELINES LTD.

# TARIFF

RULES AND REGULATIONS  
GOVERNING THE  
GATHERING AND TRANSPORTATION  
OF  
CRUDE PETROLEUM  
BY  
PIPE LINE

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## GENERAL APPLICATION

The rules and regulations published herein apply only under tariffs making specific reference by Tariff number to this tariff; such reference will include supplements hereto and successive issues hereof. Specific rules and regulations published in individual tariffs will take precedence over rules and regulations published herein.

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ISSUED: FEBRUARY 1, 1958

EFFECTIVE: FEBRUARY 1, 1958

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Issued by  
C. HAY,  
President, Producers Pipelines Ltd.,  
2236 Albert Street, Regina, Sask.

## RULES AND REGULATIONS

### 1. DEFINITIONS

The following definitions will be applicable where the corresponding terms are used in this tariff. —“Crude Petroleum” means the direct product of oil wells or a mixture of the direct product of oil wells and the indirect petroleum products resulting either from refining crude petroleum or from the operation of gasoline recovery plants, gas recycling plants or distillate recovery equipment in gas and distillate fields.

—“Barrel” means forty-two (42) United States gallons, 34.972 Imperial gallons at a temperature sixty (60) degrees Fahrenheit.

—“Carrier” means Producers Pipelines Ltd. and any other pipe line company which transports the crude petroleum accepted for transportation under this tariff.

### 2. DELIVERY FACILITIES

The Carrier will receive crude petroleum for transportation only when the shipper or consignee has provided the necessary facilities for receiving said crude petroleum upon arrival at final destination on the pipe line.

### 3. CRUDE PETROLEUM QUALITY AND QUANTITY SPECIFICATIONS

(a) No crude petroleum having a Reid vapour pressure in excess of ten pounds at one hundred degrees Fahrenheit or having basic sediment, water or other impurities in excess of one-half of one percent will be accepted for transportation by the Carrier.

When crude petroleum tendered for transportation is of such a nature that its movement through the existing facilities of the Carrier or the existing facilities of any connecting Carrier will cause disadvantage to other shippers and/or the Carrier, the Carrier reserves the right to withhold acceptance of such crude petroleum for transportation or at its discretion to require payment of transportation charges in addition to the regular rates set forth herein.

(b) The Carrier shall not be required to accept delivery of crude petroleum from field batteries at intervals of less than seven days, except in parcels of more than four hundred barrels each.

### 4. IDENTITY OF OIL

(a) All crude petroleum tendered to the Carrier will be accepted for transportation only on condition that it shall be subject to such changes in gravity or quality while in transit as may result from the mixture of said crude petroleum in the pipe lines and tanks of the Carrier.

(b) The Carrier shall be under no obligation to make delivery of the identical crude petroleum received, and

(i) in the case of any stream, other than a mixed stream, shall make delivery out of its common stock of that stream, and

(ii) in the case of a mixed stream, shall make delivery out of its common stock of that stream. Any revaluations deemed appropriate by reason of difference in grade and/or quality that occur, by reason of the mixing, between receipt of the component parts and delivery of the stream, shall be between and for the account of the shipper and consignee. The Carrier shall have no responsibility in or for such revaluations or settlements other than to furnish data on the quality and gravity of the crude petroleum received into and delivered out of the mixed stream.

### 5. GAUGING, TESTING AND DEDUCTIONS

Crude petroleum tendered to the Carrier for transportation from shippers' tanks shall be gauged and tested by a representative of the Carrier prior to its receipt from the shipper, but the shipper shall have the privilege of being present or represented at the gauging or testing. Crude petroleum trucked to the Carrier's terminals shall be unloaded into storage tanks allocated to this service. Quantities shall be computed, as provided in Clause 6, from tank tables on a one hundred percent (100%) volume basis and shall show the gross volume at the observed fluid temperature. At the option of the Carrier, the crude petroleum may be measured by meters rather than gauging. Crude petroleum of required specifications will be received and delivered, corrected as to temperature from observed degrees Fahrenheit to 60° Fahrenheit, on the basis of A.S.T.M. - I.P. Petroleum Measurement Tables approved by the American Petroleum Institute and generally accepted by the industry. The amount of basic sediment, water or other impurities shall be ascertained with the use of a centrifuge machine under A.P.I. approved procedures generally accepted by the industry, and deducted from the corrected volume. The net remaining balance at 60° Fahrenheit shall be the quantity deliverable by the Carrier and transportation charges will be assessed in accordance therewith.

### 6. TANK CAPACITY TABLES

In the event that tank capacity tables are not available, the Carrier at its own expense may strap the producer's tankage and supply the necessary capacity tables, and the producer may check such measurements on the tables. The Carrier or the producer may at any time and on ten (10) days' written notice require that the tankage be restrapped and that new capacity tables be prepared by the Carrier, or, at the producer's option, by an independent company and at the expense of the party giving such notice. Neither the Carrier nor the producer shall have or make any claim or demand or bring any action or suit against the other on the basis of, or arising out of, any discrepancies or inaccuracies in tankage measurements or capacity tables or the volume of crude petroleum accepted in accordance therewith.



## SHIPPER'S TANKS

Adequate tankage, commensurate with the quantities of crude petroleum tendered shall be provided and maintained by the shipper at each gathering location at which crude petroleum is received for transportation under the terms of this tariff. The Carrier, by its representative, shall have the right to enter upon the premises where crude petroleum is stored, and have access to any and all tanks, storage receptacles and/or meters for the purpose of making any examination, inspection, measurement or test authorized by these rules and regulations.

## 8. TANK TRUCKS AND FACILITIES

Tank trucks delivering crude petroleum to the facilities of the Carrier shall be equipped with proper bottom loading and unloading facilities and unloading pumps, to permit the transfer of oil with a minimum delay. Capacity calibration for each tank truck must be provided by the shipper in accordance with the Carrier's requirements. The Carrier may refuse to accept deliveries for crude petroleum by tank truck when danger of fire exists due to leaks near motors, exhaust pipes or faulty electric wiring, or when driver disregards safety instructions issued by the Carrier.

## 9. DELIVERY NOTICE

The Carrier shall transport crude petroleum with due diligence considering the quality of the crude petroleum, the distance of transportation and other material elements, but may at any time after receipt of crude petroleum shipping order, upon twenty-four (24) hours' notice to the consignee, effect delivery of crude petroleum from its common stock.

## 10. STORAGE IN TRANSIT

Storage necessarily incident to transportation, and only such storage, will be provided by the Carrier. Without prejudice, and in addition to any other lawful remedy or remedies which it may have, the Carrier may assess a charge for storage-in-transit for each day or fractional part thereof on all crude petroleum tendered for delivery and remaining undelivered, at the following rates: During the first ten days at the rate of 1/10 of 1c per barrel per day; and during the period thereafter at the rate of 2/10 of 1c per barrel per day.

## 11. EXCESS B.S. & W. IN TANK TRUCK DELIVERIES

Crude petroleum delivered into the Carrier's terminal tankage which contains in excess of one-half (½) of one (1) percent of basic sediment and water may be rejected. The shipper shall be responsible for removing such crude petroleum from the Carrier's tankage allocated to him within twenty-four (24) hours after receiving notice. Failure to comply with the removal notice will render the shipper liable to a charge of ten (10) cents per barrel per day, or part thereof, for each day, after the expiration of the twenty-four (24) hour period allowed for removal, that the crude petroleum remains in Carrier's tankage.

## 12. HEATING OF CRUDE PETROLEUM

The Carrier may require the shipper to heat or cause to be heated any crude petroleum tendered to the Carrier for transportation, to a temperature which is adequate to prevent congealing of said crude petroleum in the gathering lines of the Carrier. The temperature required shall be determined by the Carrier.

## 13. LIENS AND CHARGES

When any crude petroleum tendered for transportation is involved in litigation or the ownership of which may be in dispute or which may be encumbered by lien or charge of any kind, the Carrier may refuse to accept such crude petroleum for transportation or may require of shipper an indemnity bond satisfactory to the Carrier.

## 14. PRO-RATION OF PIPE LINE CAPACITY

If the capacity of the pipe line system of the Carrier at any time is less than the combined capacity required by all the shippers tendering crude petroleum to the Carrier for transportation, the Carrier shall have the right to accept on a pro-rata basis from all the shippers, according to the quantities represented in the respective tenders of crude petroleum. This pro-ration of tenders of crude petroleum for pipe line transportation shall be adhered to whether required by the Carrier and/or any authoritative governmental agency.

## 15. PAYMENTS, LIEN, AND SALE

The shipper or consignee shall pay the Carrier at the rate specified for transportation and all other lawful charges accruing on crude petroleum tendered and accepted for shipment, and if required shall pay the same before final delivery. The Carrier shall have a lien on all crude petroleum in its possession to cover charges for transportation and other lawful charges and may withhold delivery of crude petroleum until said charges are paid. If such charges remain unpaid for more than seven (7) days after notice of readiness to deliver, the Carrier by any agent may sell said crude petroleum at public auction at the general offices of the Carrier on any day not a legal holiday and not less than forty-eight hours after publication of notice in a daily newspaper of general circulation published in the place where said general offices are located, said notice giving the time and place of the sale and the quantity of crude petroleum to be sold. From the proceeds of the sale, the Carrier may retain sufficient funds to cover all charges lawfully accruing, including storage-in-transit and all expenses of said sale, and the net balance shall be held for whosoever may be lawfully entitled thereto.

## 16. CLAIMS

Notice of claims for loss, damage or delay in connection with the shipment of crude petroleum tendered for transportation under the terms of this tariff must be filed in writing with the Carrier within forty days after delivery of the crude petroleum, or, in the case of failure to make delivery, within forty days after a reasonable time for delivery has elapsed. Suits arising out of such claims must be instituted against the Carrier within six months of the date on which notice in writing is given by the Carrier to the claimant that the Carrier has disallowed the claim in whole or in part. Shipper and consignee agree to be bound by the provisions of this clause and waive any rights which they or either of them might otherwise have, at common law or otherwise, to make claim after the expiration of the said period of forty days or to bring an action after the expiration of the said period of six months.

## 17. FIRE, INSURRECTION AND WAR

No loss by reason of fire, storm, flood, or act of God, and no loss resulting from riots, insurrection, rebellion, sabotage, strikes, labour disturbances, shortage of labour or breakdown of transportation or storage facilities, war or acts of the Queen's enemies, or from quarantine, or authority of law or from any order, requisition, interest or necessity of the Crown in time of war, or from any cause whatsoever, whether enumerated herein or otherwise, except its own direct negligence, shall be borne by the Carrier. In cases of loss from any such causes other than the direct negligence of the Carrier, after the crude petroleum has been received for transportation and before its delivery to the consignee, each shipper shall bear such proportion of the loss as the amount its shipment represents in relation to all the crude petroleum held for transportation by the Carrier at the time of such loss, and each shipper shall be entitled to have delivered only such portion of his shipment as may remain after a deduction of his due proportion of such loss, and he will be required to pay charges only on the quantity of crude petroleum delivered.

## 18. ROUTE

Where the facilities of Producers Pipelines Ltd. do not extend to the established delivery point at a destination crude petroleum received for transportation under this tariff will be transported through the facilities of Producer Pipelines Ltd. to the point of connection with the facilities of some other pipe line company and through the facilities of such other pipe line company from that point to the established delivery point at the destination.

## PRODUCERS PIPELINES LTD.

## TARIFF

The rates named in this tariff apply on the gathering and transportation of crude petroleum from the established receiving points of Producers Pipelines Ltd. in the areas named below, to established delivery points at the places named below, and are subject to the rules and regulation published herein and in Tariff No. 1, supplements thereto and reissues thereof.

From	To	Rates in Cents per bbl.
Alida-Nottingham Area	Alida Terminal	7½
Cantal Area		16
South Hastings Area		13½
Glen Ewen Area		16½
Glen Ewen Terminal		8½
Carnduff Area		23½
Oxbow Area		27½
Arlington-South Manor Area		19
Steelman Area	Steelman Terminal	7
Lampman Area		12½
West Kingsford Area	Trunk Line Injection Point	12½
Midale Area	Midale Terminal	8

Truck unloading charge 2½ cents per barrel

ISSUED: FEBRUARY 1, 1958

EFFECTIVE: FEBRUARY 1, 1958

Issued by  
C. HAY,  
President, Producers Pipelines Ltd.,  
2236 Albert Street, Regina, Sask.



## RULES AND REGULATIONS

### AREA DEFINED:

The following definitions will be applicable where the corresponding terms are used in this tariff:

#### 1. ALIDA-NOTTINGHAM AREA

Within the scope of this tariff, the Alida-Nottingham Area shall be defined as the E $\frac{1}{2}$  of Sec. 28, NW $\frac{1}{4}$  of Sec. 27, S $\frac{1}{2}$  of Sec. 34, W $\frac{1}{2}$  and NE $\frac{1}{4}$  of Sec. 35, SE $\frac{1}{4}$  of Sec. 31 and NW $\frac{1}{4}$  of Sec. 32 in Twsp. 5, R. 3, W.P.M.; SW $\frac{1}{4}$  of Sec. 1, SE $\frac{1}{4}$  of Sec. 2, W $\frac{1}{2}$  of Sec. 4, SE $\frac{1}{4}$  of Sec. 5 and SW $\frac{1}{4}$  of Sec. 9 in Twsp. 6, R. 3, W.P.M.; N $\frac{1}{2}$  of Sec. 19, SE $\frac{1}{4}$  of Sec. 30, W $\frac{1}{2}$  of Sec. 29, W $\frac{1}{2}$  of Sec. 32, W $\frac{1}{2}$  of Sec. 3, NE $\frac{1}{4}$  of Sec. 4, SE $\frac{1}{4}$  of Sec. 9, S $\frac{1}{2}$  and NE $\frac{1}{4}$  of Sec. 10, SE $\frac{1}{4}$  of Sec. 15 and NW $\frac{1}{4}$  of Sec. 5 in Twsp. 5, R. 32, W.P.M.; NW $\frac{1}{4}$  of Sec. 28, E $\frac{1}{2}$  of Sec. 29, S $\frac{1}{2}$  and NE $\frac{1}{4}$  of Sec. 33 in Twsp. 4, R. 32, W.P.M., in the Province of Saskatchewan.

#### 2. CANTAL AREA

Within the scope of this tariff, the Cantal Area shall be defined as the W $\frac{1}{2}$  and SE $\frac{1}{4}$  of Sec. 12 and the NE $\frac{1}{4}$  of Sec. 2 in Twsp. 5, R. 34, W.P.M., in the Province of Saskatchewan.

#### 3. SOUTH HASTINGS AREA

Within the scope of this tariff, the South Hastings Area shall be defined as the NW $\frac{1}{4}$  of Sec. 5, Sec. 6 and the S $\frac{1}{2}$  of Sec. 7 in Twsp. 4, R. 33, W.P.M., and the NE $\frac{1}{4}$  of Sec. 31 in Twsp. 3, R. 33, W.P.M., in the Province of Saskatchewan.

#### 4. GLEN EWEN AREA

Within the scope of this tariff, the Glen Ewen Area shall be defined as the S $\frac{1}{2}$  of Sec. 25 in Twsp. 2, R. 1, W2M, and all of Sec. 1, S $\frac{1}{2}$  and NE $\frac{1}{4}$  of Sec. 2, S $\frac{1}{2}$  of Sec. 3, all of Sec. 12, Twsp. 3, Range 34, W.P.M., and NW $\frac{1}{4}$  of Sec. 13, N $\frac{1}{2}$  of Sec. 14, E $\frac{1}{2}$  of Sec. 15, N $\frac{1}{2}$  and SE $\frac{1}{4}$  of Sec. 21; all of Sec. 22, 23, 24, S $\frac{1}{2}$  of Sec. 25, S $\frac{1}{2}$  and NW $\frac{1}{4}$  of Sec. 27, all of Sec. 28, S $\frac{1}{2}$  and NE $\frac{1}{4}$  of Sec. 29, SE $\frac{1}{4}$  of Sec. 32, all of Sec. 33, W $\frac{1}{2}$  of Sec. 34, Twsp. 2, R. 34, W.P.M., and W $\frac{1}{2}$  and NE $\frac{1}{4}$  of Sec. 19, Twsp. 2, R. 33, W.P.M., in the Province of Saskatchewan.

#### 5. CARNDUFF AREA

Within the scope of this tariff, the Carnduff Area shall be defined as the W $\frac{1}{2}$  of Sec. 10, E $\frac{1}{2}$  of Sec. 9, SE $\frac{1}{4}$  of Sec. 16, W $\frac{1}{2}$  of Sec. 15, SE $\frac{1}{4}$  of Sec. 20, Twsp. 2, R. 33, W.P.M., in the Province of Saskatchewan.

#### 6. OXBOW AREA

Within the scope of this tariff, the Oxbow Area shall be defined as SW $\frac{1}{4}$  of Sec. 11, SE $\frac{1}{4}$  of Sec. 10, N $\frac{1}{2}$  of Sec. 7, W $\frac{1}{2}$  of Sec. 18, Twsp. 3, R. 1, W2M, and NW $\frac{1}{4}$  of Sec. 11, NE $\frac{1}{4}$  of Sec. 12, S $\frac{1}{2}$  and NE $\frac{1}{4}$  of Sec. 13, all of Sec. 14, NE $\frac{1}{4}$  of Sec. 15, SE $\frac{1}{4}$  of Sec. 24, Twsp. 3, R. 2, W2M, in the Province of Saskatchewan.

#### 7. ARLINGTON-SOUTH MANOR AREA

Within the scope of this tariff the Arlington-South Manor Area shall be defined as the NW $\frac{1}{4}$  of Sec. 3 and SW $\frac{1}{4}$  of Sec. 10 in Twsp. 6, R. 34, W.P.M.; NE $\frac{1}{4}$  of Sec. 14, E $\frac{1}{2}$  of Sec. 23 in Twsp. 6, R. 1, W2, in the Province of Saskatchewan.

#### 8. STEELMAN AREA

Within the scope of this tariff, the Steelman Area shall be defined as the W $\frac{1}{2}$  of Sec. 25, N $\frac{1}{2}$  of Sec. 26, SE $\frac{1}{4}$  and N $\frac{1}{2}$  of Sec. 27, NE $\frac{1}{4}$  of Sec. 28, SE $\frac{1}{4}$  of Sec. 32, SW $\frac{1}{4}$  and E $\frac{1}{2}$  of Sec. 33, Sec. 34, Sec. 35, NW $\frac{1}{4}$  of Sec. 36 in Twsp. 3, R. 5, W2; W $\frac{1}{2}$  of Sec. 2, Sec. 3, E $\frac{1}{2}$  of Sec. 4, N $\frac{1}{2}$  of Sec. 7, NW $\frac{1}{4}$  and E $\frac{1}{2}$  of Sec. 8, Sec. 9, Sec. 10, SW $\frac{1}{4}$  of Sec. 11, NW $\frac{1}{4}$  of Sec. 13, N $\frac{1}{2}$  of Sec. 14, Sec. 15, 16, 17, 18, 19, S $\frac{1}{2}$  of Sec. 20, SW $\frac{1}{4}$  and E $\frac{1}{2}$  of Sec. 21, Sec. 22, 23, W $\frac{1}{2}$  of Sec. 24, W $\frac{1}{2}$  of Sec. 25, Sec. 26, S $\frac{1}{2}$  of Sec. 27, SE $\frac{1}{4}$  of Sec. 28, S $\frac{1}{2}$  of Sec. 30 and NW $\frac{1}{4}$  of Sec. 31 in Twsp. 4, R. 5, W2; SE $\frac{1}{4}$  of Sec. 8, Sec. 9, Sec. 10, NW $\frac{1}{4}$  of Sec. 11, NE $\frac{1}{4}$  of Sec. 12, SE $\frac{1}{4}$  and N $\frac{1}{2}$  of Sec. 13, SW $\frac{1}{4}$  and N $\frac{1}{2}$  of Sec. 14, Sec. 15, Sec. 16, NE $\frac{1}{4}$  of Sec. 17, N $\frac{1}{2}$  of Sec. 19, W $\frac{1}{2}$  and NE $\frac{1}{4}$  of Sec. 20, N $\frac{1}{2}$  of Sec. 21, Sec. 22, 23, 24, 25, 26, 27, E $\frac{1}{2}$  of Sec. 28, Sec. 33, 34, 35 and Sec. 36 in Twsp. 4, R. 6, W2; S $\frac{1}{2}$  of Sec. 1 and Sec. 2, and S $\frac{1}{2}$  of Sec. 3 in Twsp. 5, R. 6, W2, SW $\frac{1}{4}$  of Sec. 6, Twsp. 5, R. 5, W2, in the Province of Saskatchewan.

#### 9. LAMPMAN AREA

Within the scope of this tariff, the Lampman Area shall be defined as the W $\frac{1}{2}$  of Sec. 11, SW $\frac{1}{4}$  of Sec. 12, and SW $\frac{1}{4}$  of Sec. 14 in Twsp. 5, R. 6, W2, in the Province of Saskatchewan.

#### 10. WEST KINGSFORD AREA

Within the scope of this tariff the West Kingsford Area shall be defined as the W $\frac{1}{2}$  and NE $\frac{1}{4}$  of Sec. 23, NE $\frac{1}{4}$  of Sec. 22, SW $\frac{1}{4}$  of Sec. 26, S $\frac{1}{2}$  of Sec. 27 in Twsp. 4, R. 7, W2, in the Province of Saskatchewan.

#### 11. MIDALE AREA

Within the scope of this tariff, the Midale Area shall be defined as the W $\frac{1}{2}$  of Sec. 5, E $\frac{1}{2}$  of Sec. 6, Sec. 7, W $\frac{1}{2}$  and NE $\frac{1}{4}$  of Sec. 8, NW $\frac{1}{4}$  of Sec. 9, W $\frac{1}{2}$  of Sec. 16, Sec. 17, 18, S $\frac{1}{2}$  and NW $\frac{1}{4}$  of Sec. 19, S $\frac{1}{2}$  of Sec. 20, W $\frac{1}{2}$  of Sec. 21 and SW $\frac{1}{4}$  of Sec. 30, Sec. 31, Sec. 33, Sec. 34, in Twsp. 6, R. 10, W2; Sec. 9, Sec. 10, NW $\frac{1}{4}$  of Sec. 11, E $\frac{1}{2}$  of Sec. 12, E $\frac{1}{2}$  and NW $\frac{1}{4}$  of Sec. 13, W $\frac{1}{2}$  and NE $\frac{1}{4}$  of Sec. 14, N $\frac{1}{2}$  of Sec. 15, NE $\frac{1}{4}$  of Sec. 16, E $\frac{1}{2}$  of Sec. 21, Sec. 22, 23, 24, 25, 26, E $\frac{1}{2}$  of Sec. 27, SE $\frac{1}{4}$  of Sec. 35, and SE $\frac{1}{4}$  of Sec. 36 in Twsp. 6, R. 11, W2, in the Province of Saskatchewan.



B.T.C. TARIFF No. 5  
(Cancels B.T.C. Tariff No. 4)

# WESTSPUR PIPE LINE COMPANY

## TARIFF

### RULES AND REGULATIONS GOVERNING THE TRANSPORTATION OF CRUDE PETROLEUM BY PIPE LINE

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#### GENERAL APPLICATION

The rules and regulations published herein apply only under tariffs making specific reference by B.T.C. number to this tariff; such reference will include supplements hereto and successive issues hereof. Specific rules and regulations published in individual tariffs will take precedence over rules and regulations published herein.

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ISSUED: FEBRUARY 1, 1958

EFFECTIVE: FEBRUARY 1, 1958

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Issued by  
C. HAY  
President, Westspur Pipe Line Company,  
2236 Albert Street, Regina, Sask.

## RULES AND REGULATIONS

### 1. DEFINITIONS

The following definitions will be applicable where the corresponding terms are used in this tariff:—“Crude Petroleum” means the direct product of oil wells or a mixture of the direct product of oil wells and the indirect petroleum products resulting either from refining crude petroleum or from the operation of gasoline recovery plants, gas recycling plants or distillate recovery equipment in gas and distillate fields.

—“Barrel” means forty-two (42) United States gallons, 34.972 Imperial gallons at a temperature of sixty (60) degrees Fahrenheit.

—“Carrier” means Westspur Pipe Line Company.

### 2. DELIVERY FACILITIES

The Carrier will receive crude petroleum for transportation only when the shipper or consignee is provided the necessary facilities for receiving said crude petroleum upon arrival at final destination or pipe line.

### 3. CRUDE PETROLEUM QUALITY AND QUANTITY SPECIFICATIONS

No crude petroleum having a Reid vapour pressure in excess of ten pounds at one hundred degrees Fahrenheit or having basic sediment, water or other impurities in excess of one-half of one percent will be accepted for transportation by the Carrier.

When crude petroleum tendered for transportation is of such a nature that its movement through existing facilities of the Carrier or the existing facilities of any connecting Carrier will cause disadvantage to other shippers and/or the Carrier, the Carrier reserves the right to withhold acceptance of such crude petroleum for transportation or at its discretion to require payment of transportation charges in addition to the regular rates set forth herein.

### 4. IDENTITY OF OIL

(a) All crude petroleum tendered to the Carrier will be accepted for transportation only on condition that it shall be subject to such changes in gravity or quality while in transit as may result from the mixture of said crude petroleum in the pipe lines and tanks of the Carrier.

(b) The Carrier shall be under no obligation to make delivery of the identical crude petroleum received, and

(i) in the case of any stream, other than a mixed stream, shall make delivery out of its common stock of that stream, and

(ii) in the case of a mixed stream, shall make delivery out of its common stock of that stream. Any revaluations deemed appropriate by reason of difference in grade and/or quality that occur, by reason of the mixing, between receipt of the component parts and delivery of the stream, shall be between and for the account of the shipper and consignee. The Carrier shall have no responsibility in or for such revaluations or settlements other than to furnish data on the quality and gravity of the crude petroleum received into and delivered out of the mixed stream.

### 5. GAUGING, TESTING AND DEDUCTIONS

Crude petroleum tendered to the Carrier for transportation from shippers' tanks shall be gauged and tested by a representative of the Carrier prior to its receipt from the shipper, but the shipper shall have the privilege of being present or represented at the gauging or testing. Crude petroleum trucked to the Carrier's terminals shall be unloaded into storage tanks allocated to this service. Quantities shall be computed, as provided in Clause 6, from tank tables on a one hundred percent (100%) volume basis and shall show the gross volume at the observed fluid temperature. At the option of the Carrier, the crude petroleum may be measured by meters rather than gauging. Crude petroleum of required specifications will be received and delivered, corrected as to temperature from observed degrees Fahrenheit to 60° Fahrenheit, on the basis of A.S.T.M. - I.P. Petroleum Measurement Tables approved by the American Petroleum Institute and generally accepted by the industry. The amount of basic sediment, water or other impurities shall be ascertained with the use of a centrifuge machine under A.P.I. approved procedures generally accepted by the industry, and deducted from the corrected volume. A further deduction of one-half of one percent (½%) shall be made for evaporation and other unavoidable loss incident to the transportation by pipeline. The net remaining balance at 60° Fahrenheit shall be the quantity deliverable by the Carrier and transportation charges will be assessed in accordance therewith.

### 6. TANK CAPACITY TABLES

In the event that tank capacity tables are not available, the Carrier at its own expense may strap the Shipper's tankage and supply the necessary capacity tables, and the Shipper may check such measurements and tables. The Carrier or the Shipper may at any time and on ten (10) days' written notice require that the tankage be restrapped and that new capacity tables be prepared by the Carrier or, at the Shipper's option, by an independent company and at the expense of the party giving such notice. Neither the Carrier nor the Shipper shall have or make any claim or demand or bring any action or suit against the other on the basis of, or arising out of, any discrepancies or inaccuracies in tankage measurements or capacity tables or the volume of crude petroleum accepted in accordance therewith.



## 7. TANK TRUCKS AND FACILITIES

Tank trucks delivering crude petroleum to the facilities of the Carrier shall be equipped with proper bottom loading and unloading facilities and unloading pumps, to permit the transfer of oil with a minimum delay. Capacity calibration for each tank truck must be provided by the shipper in accordance with the Carrier's requirements. The Carrier may refuse to accept deliveries for crude petroleum by tank truck when danger of fire exists due to leaks near motors, exhaust pipes or faulty electric wiring, or when the shipper disregards safety instructions issued by the Carrier.

## 8. DELIVERY NOTICE

The Carrier shall transport crude petroleum with due diligence considering the quality of the crude petroleum, the distance of transportation and other material elements, but may at any time after receipt of a crude petroleum shipping order, upon twenty-four (24) hours' notice to the consignee, effect delivery of crude petroleum from its common stock.

## 9. STORAGE IN TRANSIT

Storage necessarily incident to transportation, and only such storage, will be provided by the Carrier. Without prejudice, and in addition to any other lawful remedy or remedies which it may have, the Carrier may assess a charge for storage-in-transit for each day or fractional part thereof on all crude petroleum tendered for delivery and remaining undelivered, at the following rates: During the first ten days at the rate of 1/10 of 1c per barrel per day; and during the period thereafter at the rate of 2/10 of 1c per barrel per day.

## 10. EXCESS B.S. & W. IN TANK TRUCK DELIVERIES

Crude petroleum delivered into the Carrier's terminal tankage which contains in excess of one-half (1/2) of one (1) percent of basic sediment and water may be rejected. The shipper shall be responsible for removing such crude petroleum from the Carrier's tankage allocated to him within twenty-four (24) hours after receiving notice. Failure to comply with the removal notice will render the shipper liable to a charge of ten (10) cents per barrel per day, or part thereof, for each day, after the expiration of the twenty-four (24) hour period allowed for removal, that the crude petroleum remains in Carrier's tankage.

## 11. HEATING OF CRUDE PETROLEUM

The Carrier may require the shipper to heat or cause to be heated any crude petroleum tendered to this Carrier for transportation, to a temperature which is adequate to prevent congealing of said crude petroleum in the gathering lines of the Carrier. The temperature required shall be determined by the Carrier.

## 12. LIENS AND CHARGES

When any crude petroleum tendered for transportation is involved in litigation or the ownership of which may be in dispute or which may be encumbered by lien or charge of any kind, the Carrier may refuse to accept such crude petroleum for transportation or may require of shipper an indemnity bond satisfactory to the Carrier.

## 13. PRO-RATION OF PIPE LINE CAPACITY

If the capacity of the pipe line system of the Carrier at any time is less than the combined capacity required by all the shippers tendering crude petroleum to the Carrier for transportation, the Carrier shall have the right to accept on a pro-rata basis from all the shippers, according to the quantities represented in the respective tenders of crude petroleum. This pro-ration of tenders of crude petroleum for pipe line transportation shall be adhered to whether required by the Carrier and/or any authoritative governmental agency.

## 14. PAYMENTS, LIEN, AND SALE

The shipper or consignee shall pay the Carrier at the rate specified for transportation and all other lawful charges accruing on crude petroleum tendered and accepted for shipment, and if required shall pay the same before final delivery. The Carrier shall have a lien on all crude petroleum in its possession to cover charges for transportation and other lawful charges and may withhold delivery of crude petroleum until said charges are paid. If such charges remain unpaid for more than seven (7) days after notice of readiness to deliver, the Carrier by any agent may sell said crude petroleum at public auction at the general offices of the Carrier on any day not a legal holiday and not less than forty-eight hours after publication of notice in a daily newspaper of general circulation published in the place where said general offices are located, said notice giving the time and place of the sale and the quantity of crude petroleum to be sold. From the proceeds of the sale, the Carrier may retain sufficient funds to cover all charges lawfully accruing, including storage-in-transit and all expenses of said sale, and the net balance shall be held for the shipper or whoever may be lawfully entitled thereto.

## 15. CLAIMS

Notice of claims for loss, damage or delay in connection with the shipment of crude petroleum tendered for transportation under the terms of this tariff must be filed in writing with the Carrier within forty days after delivery of the crude petroleum, or, in the case of failure to make delivery, within forty days after a reasonable time for delivery has elapsed. Suits arising out of such claims must be instituted against the Carrier within six months of the date on which notice in writing is given by the Carrier to the claimant that the Carrier has disallowed the claim in whole or in part. Shipper and consignee agree to be bound by the provisions of this clause and waive any rights which they or either of them might otherwise have, at common law or otherwise, to make claim after the expiration of the said period of forty days or to bring an action after the expiration of the said period of six months.

#### 16. FIRE, INSURRECTION AND WAR

No loss by reason of fire, storm, flood, or act of God, and no loss resulting from riots, insurrection, rebellion, sabotage, strikes, labour disturbances, shortage of labour or breakdown of transportation or storage facilities, war or acts of the Queen's enemies, or from quarantine, or authority of law or from any order, requisition, interest or necessity of the Crown in time of war, or from any cause whatsoever whether enumerated herein or otherwise, except its own direct negligence, shall be borne by the Carrier. In cases of loss from any such causes other than the direct negligence of the Carrier, after the crude petroleum has been received for transportation and before its delivery to the consignee, each shipper shall bear such proportion of the loss as the amount its shipment represents in relation to all the crude petroleum held for transportation by the Carrier at the time of such loss, and each shipper shall be entitled to have delivered only such portion of his shipment as may remain after a deduction of his due proportion of such loss, and he will be required to pay charges only on the quantity of crude petroleum delivered.



B.T.C. TARIFF No. 6

# WESTSPUR PIPE LINE COMPANY

## TARIFF

The rates named in this tariff apply on the transportation of crude petroleum from points in the Province of Saskatchewan to Interprovincial Pipe Line Company Terminal at Cromer, in the Province of Manitoba, and are subject to the rules and regulations published herein, and in B.T.C. Tariff No. 5, supplements thereto and reissues thereof.

From	To	Rates in Cents per bbl.
Alida Terminal	Cromer, Manitoba	6
Frobisher Terminal		8½
Steeleman Terminal		9
Steeleman Terminal (West Kingsford Crude)		10
Midale Terminal		13

Truck unloading charge 2½ cents per barrel

ISSUED: FEBRUARY 1, 1958

EFFECTIVE: FEBRUARY 1, 1958

Issued by  
C. HAY  
President, Westspur Pipe Line Company,  
2236 Albert Street, Regina, Sask.







B.T.C. TARIFF No. 7

# WESTSPUR PIPE LINE COMPANY

## TARIFF

### RULES AND REGULATIONS GOVERNING THE GATHERING AND TRANSPORTATION OF CRUDE PETROLEUM BY PIPE LINE

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#### GENERAL APPLICATION

The rules and regulations published herein apply only under tariffs making specific reference by B.T.C. Tariff number to this tariff; such reference will include supplements hereto and successive issues hereof. Specific rules and regulations published in individual tariffs will take precedence over rules and regulations published herein.

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ISSUED: FEBRUARY 1, 1958

EFFECTIVE: FEBRUARY 1, 1958

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Issued by  
C. HAY  
President, Westspur Pipe Line Company,  
2236 Albert Street, Regina, Sask.

## RULES AND REGULATIONS

### 1. DEFINITIONS

The following definitions will be applicable where the corresponding terms are used in this tariff. — "Crude Petroleum" means the direct product of oil wells or a mixture of the direct product of oil wells and the indirect petroleum products resulting either from refining crude petroleum or from the operation of gasoline recovery plants, gas recycling plants or distillate recovery equipment in gas and distillate fields.

— "Barrel" means forty two (42) United States gallons, 34.972 Imperial gallons at a temperature of sixty (60) degrees Fahrenheit.

— "Carrier" means Westspur Pipe Line Company.

### 2. DELIVERY FACILITIES

The Carrier will receive crude petroleum for transportation only when the shipper or consignee has provided the necessary facilities for receiving said crude petroleum upon arrival at final destination on pipe line.

### 3. CRUDE PETROLEUM QUALITY AND QUANTITY SPECIFICATIONS

(a) No crude petroleum having a Reid vapour pressure in excess of ten pounds at one hundred degrees Fahrenheit or having basic sediment, water or other impurities in excess of one-half of one percent will be accepted for transportation by the Carrier.

When crude petroleum tendered for transportation is of such a nature that its movement through the existing facilities of the Carrier or the existing facilities of any connecting Carrier will cause disadvantage to other shippers and/or the Carrier, the Carrier reserves the right to withhold acceptance of such crude petroleum for transportation or at its discretion to require payment of transportation charges in addition to the regular rates set forth herein.

(b) The Carrier shall not be required to accept delivery of crude petroleum from field batteries at intervals of less than seven days, except in parcels of more than four hundred barrels each.

### 4. IDENTITY OF OIL

(a) All crude petroleum tendered to the Carrier will be accepted for transportation only on condition that it shall be subject to such changes in gravity or quality while in transit as may result from the mixture of said crude petroleum in the pipe lines and tanks of the Carrier.

(b) The Carrier shall be under no obligation to make delivery of the identical crude petroleum received, and

(i) in the case of any stream, other than a mixed stream, shall make delivery out of its common stock of that stream, and

(ii) in the case of a mixed stream, shall make delivery out of its common stock of that stream. Any revaluations deemed appropriate by reason of difference in grade and/or quality that occur, by reason of the mixing, between receipt of the component parts and delivery of the stream, shall be between and for the account of the shipper and consignee. The Carrier shall have no responsibility in or for such revaluations or settlements other than to furnish data on the quality and gravity of the crude petroleum received into and delivered out of the mixed stream.

### 5. GAUGING, TESTING AND DEDUCTIONS

Crude petroleum tendered to the Carrier for transportation from shippers' tanks shall be gauged and tested by a representative of the Carrier prior to its receipt from the shipper, but the shipper shall have the privilege of being present or represented at the gauging or testing. Crude petroleum trucked to the Carrier's terminals shall be unloaded into storage tanks allocated to this service. Quantities shall be computed, as provided in Clause 6, from tank tables on a one hundred percent (100%) volume basis and shall show the gross volume at the observed fluid temperature. At the option of the Carrier, the crude petroleum may be measured by meters rather than gauging. Crude petroleum of required specifications will be received and delivered, corrected as to temperature from observed degrees Fahrenheit to 60° Fahrenheit, or the basis of A.S.T.M. - I.P. Petroleum Measurement Tables approved by the American Petroleum Institute and generally accepted by the industry. The amount of basic sediment, water or other impurities shall be ascertained with the use of a centrifuge machine under A.P.I. approved procedures generally accepted by the industry, and deducted from the corrected volume. The net remaining balance at 60° Fahrenheit shall be the quantity deliverable by the Carrier and transportation charges will be assessed in accordance therewith.

### 6. TANK CAPACITY TABLES

In the event that tank capacity tables are not available, the Carrier at its own expense may strap the producer's tankage and supply the necessary capacity tables, and the producer may check such measurements on tables. The Carrier or the producer may at any time and on ten (10) days' written notice require that the tankage be restrapped and that new capacity tables be prepared by the Carrier, or, at the producer's option, by an independent company and at the expense of the party giving such notice. Neither the Carrier nor the producer shall have or make any claim or demand or bring any action or suit against the other on the basis of, or arising out of, any discrepancies or inaccuracies in tankage measurements or capacity tables or the volume of crude petroleum accepted in accordance therewith.



## SHIPPER'S TANKS

Adequate tankage, commensurate with the quantities of crude petroleum tendered shall be provided and maintained by the shipper at each gathering location at which crude petroleum is received for transportation under the terms of this tariff. The Carrier, by its representative, shall have the right to enter upon the premises where each crude petroleum is stored, and have access to any and all tanks, storage receptacles and/or meters for the purpose of making any examination, inspection, measurement or test authorized by these rules and regulations.

## 7. TANK TRUCKS AND FACILITIES

Tank trucks delivering crude petroleum to the facilities of the Carrier shall be equipped with proper bottom loading and unloading facilities and unloading pumps, to permit the transfer of oil with a minimum delay. Capacity calibration for each tank truck must be provided by the shipper in accordance with the Carrier's requirements. The Carrier may refuse to accept deliveries for crude petroleum by tank truck when danger of fire exists due to leaks near motors, exhaust pipes or faulty electric wiring, or when the driver disregards safety instructions issued by the Carrier.

## 8. DELIVERY NOTICE

The Carrier shall transport crude petroleum with due diligence considering the quality of the crude petroleum, the distance of transportation and other material elements, but may at any time after receipt of crude petroleum shipping order, upon twenty-four (24) hours' notice to the consignee, effect delivery of crude petroleum from its common stock.

## 9. STORAGE IN TRANSIT

Storage necessarily incident to transportation, and only such storage, will be provided by the Carrier. Without prejudice, and in addition to any other lawful remedy or remedies which it may have, the Carrier may assess a charge for storage-in-transit for each day or fractional part thereof on all crude petroleum tendered for delivery and remaining undelivered, at the following rates: During the first ten days at the rate of 1/10 of 1c per barrel per day; and during the period thereafter at the rate of 2/10 of 1c per barrel per day.

## 10. EXCESS B.S. & W. IN TANK TRUCK DELIVERIES

Crude petroleum delivered into the Carrier's terminal tankage which contains in excess of one-half (1/2) of one (1) percent of basic sediment and water may be rejected. The shipper shall be responsible for removing such crude petroleum from the Carrier's tankage allocated to him within twenty-four (24) hours after receiving notice. Failure to comply with the removal notice will render the shipper liable to a charge of ten (10) cents per barrel per day, or part thereof, for each day, after the expiration of the twenty-four (24) hour period allowed for removal, that the crude petroleum remains in Carrier's tankage.

## 11. HEATING OF CRUDE PETROLEUM

The Carrier may require the shipper to heat or cause to be heated any crude petroleum tendered to the Carrier for transportation, to a temperature which is adequate to prevent congealing of said crude petroleum in the gathering lines of the Carrier. The temperature required shall be determined by the Carrier.

## 12. LIENS AND CHARGES

When any crude petroleum tendered for transportation is involved in litigation or the ownership of which may be in dispute or which may be encumbered by lien or charge of any kind, the Carrier may refuse to accept such crude petroleum for transportation or may require of shipper an indemnity bond satisfactory to the Carrier.

## 13. PRO-RATION OF PIPE LINE CAPACITY

If the capacity of the pipe line system of the Carrier at any time is less than the combined capacity required by all the shippers tendering crude petroleum to the Carrier for transportation, the Carrier shall have the right to accept on a pro-rata basis from all the shippers, according to the quantities represented in the respective tenders of crude petroleum. This pro-ration of tenders of crude petroleum for pipe line transportation shall be adhered to whether required by the Carrier and/or any authoritative governmental agency.

## 14. PAYMENTS, LIEN, AND SALE

The shipper or consignee shall pay the Carrier at the rate specified for transportation and all other lawful charges accruing on crude petroleum tendered and accepted for shipment, and if required shall pay the same before final delivery. The Carrier shall have a lien on all crude petroleum in its possession to cover charges for transportation and other lawful charges and may withhold delivery of crude petroleum until said charges are paid. If such charges remain unpaid for more than seven (7) days after notice of readiness to deliver, the Carrier by any agent may sell said crude petroleum at public auction at the general offices of the Carrier on any day not a legal holiday and not less than forty-eight hours after publication of notice in a daily newspaper of general circulation published in the place where said general offices are located, said notice giving the time and place of the sale and the quantity of crude petroleum to be sold. From the proceeds of the sale, the Carrier may retain sufficient funds to cover all charges lawfully accruing, including storage-in-transit and all expenses of said sale, and the net balance shall be held for whosoever may be lawfully entitled thereto.

## 16. CLAIMS

Notice of claims for loss, damage or delay in connection with the shipment of crude petroleum tendered for transportation under the terms of this tariff must be filed in writing with the Carrier within forty days after delivery of the crude petroleum, or, in the case of failure to make delivery, within forty days after a reasonable time for delivery has elapsed. Suits arising out of such claims must be instituted against the Carrier within six months of the date on which notice in writing is given by the Carrier to the claimant that the Carrier has disallowed the claim in whole or in part. Shipper and consignee agree to be bound by the provisions of this clause and waive any rights which they or either of them might otherwise have, at common law or otherwise, to make claim after the expiration of the said period of forty days or to bring an action after the expiration of the said period of six months.

## 17. FIRE, INSURRECTION AND WAR

No loss by reason of fire, storm, flood, or act of God, and no loss resulting from riots, insurrection, rebellion, sabotage, strikes, labour disturbances, shortage of labour or breakdown of transportation or storage facilities, war or acts of the Queen's enemies, or from quarantine, or authority of law or from any order, requisition, interest or necessity of the Crown in time of war, or from any cause whatsoever, whether enumerated herein or otherwise except its own direct negligence shall be borne by the Carrier. In cases of loss from any such causes other than the direct negligence of the Carrier, after the crude petroleum has been received for transportation and before its delivery to the consignee, each shipper shall bear such proportion of the loss as the amount its shipment represents in relation to all the crude petroleum held for transportation by the Carrier at the time of such loss, and each shipper shall be entitled to have delivered only such portion of his shipment as may remain after a deduction of his due proportion of such loss, and he will be required to pay charges only on the quantity of crude petroleum delivered.



B.T.C. TARIFF No. 8

# WESTSPUR PIPE LINE COMPANY

## TARIFF

The rates named in this tariff apply on the gathering and transportation of crude petroleum from the established receiving points of Westspur Pipe Line Company in the areas named below, to established delivery points at the places named below, and are subject to the rules and regulations published herein and in B.T.C. Tariff No. 7, supplements thereto and reissues thereof.

From	To	Rates in Cents per bbl.
Alida-Nottingham Area Ingoldsby-Rosebank Area	Alida Terminal	7½ 11
Frobisher Area	Frobisher Terminal	8
Steelman Area	Steelman Terminal	7
Midale Area	Midale Terminal	8

ISSUED: FEBRUARY 1, 1958

EFFECTIVE: FEBRUARY 1, 1958

Issued by  
C. HAY  
President, Westspur Pipe Line Company,  
2236 Albert Street, Regina, Sask.



## RULES AND REGULATIONS

### AREA DEFINED:

The following definitions will be applicable where the corresponding terms are used in this tariff:

#### 1. ALIDA-NOTTINGHAM AREA

Within the scope of this tariff, the Alida-Nottingham Area shall be defined as the E $\frac{1}{2}$  of Sec. 28, NW $\frac{1}{4}$  of Sec. 27, S $\frac{1}{2}$  of Sec. 34, W $\frac{1}{2}$  and NE $\frac{1}{4}$  of Sec. 35, SE $\frac{1}{4}$  of Sec. 31 and NW $\frac{1}{4}$  of Sec. 32 in Twsp. 5, R. 32, W.P.M.; SW $\frac{1}{4}$  of Sec. 1, SE $\frac{1}{4}$  of Sec. 2, W $\frac{1}{2}$  of Sec. 4, SE $\frac{1}{4}$  of Sec. 5 and SW $\frac{1}{4}$  of Sec. 9 in Twsp. 6, R. 32, W.P.M.; N $\frac{1}{2}$  of Sec. 19, SE $\frac{1}{4}$  of Sec. 30, W $\frac{1}{2}$  of Sec. 29, W $\frac{1}{2}$  of Sec. 32, W $\frac{1}{2}$  of Sec. 3, NE $\frac{1}{4}$  of Sec. 4, SE $\frac{1}{4}$  of Sec. 9, S $\frac{1}{2}$  and NE $\frac{1}{4}$  of Sec. 10, SE $\frac{1}{4}$  of Sec. 15 and NW $\frac{1}{4}$  of Sec. 5 in Twsp. 5, R. 32, W.P.M.; NW $\frac{1}{4}$  of Sec. 28, E $\frac{1}{2}$  of Sec. 29, S $\frac{1}{2}$  and NE $\frac{1}{4}$  of Sec. 33 in Twsp. 4, R. 32, W.P.M., in the Province of Saskatchewan.

#### 2. INGOLDSBY-ROSEBANK AREA

Within the scope of this tariff, the Ingoldsbys-Rosebank Area shall be defined at the NE $\frac{1}{4}$  of Sec. 26, and SW $\frac{1}{4}$  of Sec. 36 in Twsp. 4, R. 32, W.P.M.; Sec. 7, NW $\frac{1}{4}$  of Sec. 8, NW $\frac{1}{4}$  of Sec. 16, NE $\frac{1}{4}$  and S $\frac{1}{2}$  of Sec. 17 and S $\frac{1}{2}$  of Sec. 18 in Twsp. 4, R. 31, W.P.M., in the Province of Saskatchewan.

#### 3. FROBISHER AREA

Within the scope of this tariff, the Frobisher Area shall be defined as the NE $\frac{1}{4}$  of Sec. 27, E $\frac{1}{2}$  of Sec. 34, W $\frac{1}{2}$  of Sec. 35 in Twsp. 3, R. 4, W2 and W $\frac{1}{2}$  of Sec. 2, E $\frac{1}{2}$  and SW $\frac{1}{4}$  of Sec. 3, SE $\frac{1}{4}$  of Sec. 4, SE $\frac{1}{4}$  of Sec. 10 and SW $\frac{1}{4}$  of Sec. 11 in Twsp. 4, R. 4, W2, in the Province of Saskatchewan.

#### 4. STEELMAN AREA

Within the scope of this tariff, the Steelman Area shall be defined as the W $\frac{1}{2}$  of Sec. 25, N $\frac{1}{2}$  of Sec. 26, SE $\frac{1}{4}$  and N $\frac{1}{2}$  of Sec. 27, NE $\frac{1}{4}$  of Sec. 28, SE $\frac{1}{4}$  of Sec. 32, SW $\frac{1}{4}$  and E $\frac{1}{2}$  of Sec. 33, Sec. 34, Sec. 35, NW $\frac{1}{4}$  of Sec. 36 in Twsp. 3, R. 5, W2; W $\frac{1}{2}$  of Sec. 2, Sec. 3, E $\frac{1}{2}$  of Sec. 4, N $\frac{1}{2}$  of Sec. 7, NW $\frac{1}{4}$  and E $\frac{1}{2}$  of Sec. 8, Sec. 9, Sec. 10, SW $\frac{1}{4}$  of Sec. 11, NW $\frac{1}{4}$  of Sec. 13, N $\frac{1}{2}$  of Sec. 14, Sec. 15, 16, 17, 18, 19, S $\frac{1}{2}$  of Sec. 20, SW $\frac{1}{4}$  and E $\frac{1}{2}$  of Sec. 21, Sec. 22, 23, W $\frac{1}{2}$  of Sec. 24, W $\frac{1}{2}$  of Sec. 25, Sec. 26, S $\frac{1}{2}$  of Sec. 27, SE $\frac{1}{4}$  of Sec. 28, S $\frac{1}{2}$  of Sec. 30 and NW $\frac{1}{4}$  of Sec. 31 in Twsp. 4, R. 5, W2; SE $\frac{1}{4}$  of Sec. 8, Sec. 9, Sec. 10, NW $\frac{1}{4}$  of Sec. 11, NE $\frac{1}{4}$  of Sec. 12, SE $\frac{1}{4}$  and N $\frac{1}{2}$  of Sec. 13, SW $\frac{1}{4}$  and N $\frac{1}{2}$  of Sec. 14, Sec. 15, Sec. 16, NE $\frac{1}{4}$  of Sec. 17, N $\frac{1}{2}$  of Sec. 19, W $\frac{1}{2}$  and NE $\frac{1}{4}$  of Sec. 20, N $\frac{1}{2}$  of Sec. 21, Sec. 22, 23, 24, 25, 26, 27, E $\frac{1}{2}$  of Sec. 28, Sec. 33, 34, 35 and Sec. 36 in Twsp. 4, R. 6, W2; S $\frac{1}{2}$  of Sec. 1 and Sec. 2, and S $\frac{1}{2}$  of Sec. 3 in Twsp. 5, R. 6, W2, SW $\frac{1}{4}$  of Sec. 6, Twsp. 5, R. 5, W2, in the Province of Saskatchewan.

#### 5. MIDALE AREA

Within the scope of this tariff, the Midale Area shall be defined as the W $\frac{1}{2}$  of Sec. 5, E $\frac{1}{2}$  of Sec. 6, Sec. 7, W $\frac{1}{2}$  and NE $\frac{1}{4}$  of Sec. 8, NW $\frac{1}{4}$  of Sec. 9, W $\frac{1}{2}$  of Sec. 16, Sec. 17, 18, S $\frac{1}{2}$  and NW $\frac{1}{4}$  of Sec. 19, S $\frac{1}{2}$  of Sec. 20, W $\frac{1}{2}$  of Sec. 21 and SW $\frac{1}{4}$  of Sec. 30, Sec. 31, Sec. 33, Sec. 34, in Twsp. 6, R. 10, W2; Sec. 9, Sec. 10, NW $\frac{1}{4}$  of Sec. 11, E $\frac{1}{2}$  of Sec. 12, E $\frac{1}{2}$  and NW $\frac{1}{4}$  of Sec. 13, W $\frac{1}{2}$  and NE $\frac{1}{4}$  of Sec. 14, N $\frac{1}{2}$  of Sec. 15, NE $\frac{1}{4}$  of Sec. 16, E $\frac{1}{2}$  of Sec. 21, Sec. 22, 23, 24, 25, 26, E $\frac{1}{2}$  of Sec. 27, SE $\frac{1}{4}$  of Sec. 35, and SE $\frac{1}{4}$  of Sec. 36 in Twsp. 6, R. 11, W2, in the Province of Saskatchewan.

No supplement to this tariff will be issued except for the purpose of cancelling the tariff unless otherwise specifically authorized by the Commission.

**I.C.C. No. 3**

Cancels I.C.C. No. 1

# WESTSPUR PIPE LINE COMPANY

in connection with

INTERPROVINCIAL PIPE LINE COMPANY (FX3 No. 2)

and

LAKEHEAD PIPE LINE COMPANY, INC. (FX3 No. 3)

and

MINNESOTA PIPE LINE COMPANY (FX3 No. 3)

## JOINT TARIFF APPLYING ON MEDIUM \* CRUDE PETROLEUM

(\*Having an A.P.I. Gravity of not less than 25° at 60° Fahrenheit)

The rates named in this tariff are for trunk line transportation of medium crude petroleum by pipe line subject to the Rules and Regulations published herein.

FROM	TO	Rate in cents per barrel
Midale Station (R.M. of Cymri) Saskatchewan, Canada	St. Paul Park (Washington County) or Pine Bend (Dakota County) Minnesota, U.S.A.	◆ 53
Steelman Station (R.M. of Browning No. 34) Saskatchewan, Canada		◆ 50

Route: Via Westspur Pipe Line Company to Cromer, Manitoba; Inteprovincial Pipe Line Company and Lakehead Pipe Line Company, Inc. to Clearbrook, Minnesota; Minnesota Pipe Line Company to destination.

Shipments transported under this tariff are entitled to such privileges and subject to such charges as are or shall be published by this Company, or any of the carriers parties to this tariff, and such as are lawfully in effect on date of shipment, and lawfully on file with the Interstate Commerce Commission (U.S.A.) providing for reconsignment, storage, transit privileges, or any other privileges, charges or rules which in any way increase or decrease the amount to be paid on any shipment transported under this tariff, or which increase or decrease the value of the service to the shipper.

◆ The rates per barrel shall be payable as follows:

53% in United States currency.

47% in Canadian currency, or its equivalent in United States currency.

◆ Denotes Increase

ISSUED AUGUST 16, 1957

EFFECTIVE SEPTEMBER 16, 1957

ISSUED BY

**C. HAY**

*President, Westspur Pipe Line Company*

1810 Albert Street

Regina, Saskatchewan, Canada

## RULES AND REGULATIONS

### 1. DEFINITIONS

As used in this tariff, the following terms have the following meanings:

"Crude petroleum" means the direct product of oil wells or a mixture of the direct product of oil wells and the indirect petroleum products resulting either from refining crude petroleum or from the operation of gasoline recovery plants, gas recycling plants or distillate recovery equipment in gas and distillate fields.

"Barrel" means forty-two (42) United States gallons, 34.972 Imperial gallons at a temperature of sixty (60) degrees Fahrenheit.

"Carrier" means Westspur Pipe Line Company and other pipe line companies participating in this tariff.

"I.C.C." means Interstate Commerce Commission of the United States.

"A.P.I." means American Petroleum Institute.

"R.M." means Rural Municipality.

"Tender" means an offer by a shipper to the Carrier of a stated quantity of crude petroleum for transportation from a specified reception point or points to a specified delivery point or points in accordance with these rules and regulations.

"Regular Delivery Point" as used herein means each of the following: Minnesota Pipe Line Company's terminalling delivery points at St. Paul Park and Pine Bend, Minnesota; Lakehead Pipe Line Company's marine terminal at Superior, Wisconsin; Interprovincial Pipe Line Company's terminalling delivery points at Sarnia, Ontario; all intermediate operating pumping stations of Interprovincial Pipe Line Company and Lakehead Pipe Line Company, Inc., between Cromer, Manitoba, Canada and Sarnia, Ontario, Canada.

### 2. COMMODITY

The Carrier is engaged in the transportation of crude petroleum by pipe line and will not accept any other commodity for transportation.

### 3. DESTINATION FACILITIES

(a) Crude petroleum will be accepted for transportation only at established receiving points and when consigned to the shipper or consignee at one or more regular delivery points.

(b) Notwithstanding the provisions of subsection (a) above, the Carrier will, where practicable, deliver common stock crude petroleum at other than regular delivery points, provided that not less than 50% of the particular batch of the common stream crude petroleum currently being transported in the section of the pipe line adjacent to the proposed takeoff point is consigned to one or more delivery points further downstream on the line.

(c) Crude petroleum will be accepted for transportation only when the shipper or consignee has provided the necessary tankage and other facilities satisfactory to the Carrier at the named delivery point for handling the crude petroleum at the rate of flow at which the Company is then operating its pipe line at such delivery point.

### 4. SPECIFICATIONS AS TO QUALITY

No crude petroleum will be accepted for transportation that has a Reid vapor pressure in excess of ten pounds at one hundred degrees Fahrenheit or that has basic sediment, water or other impurities in excess of one-half of one percent as determined by the centrifugal test or by other tests as

may be agreed upon by the shipper and Carrier.

No crude petroleum will be accepted unless its gravity, viscosity and other characteristics are such that it will be readily susceptible of transportation through the Carrier's existing facilities and which will not materially affect the quality of other shipments or cause disadvantage to other shippers and/or the Carrier.

### 5. SEGREGATION AND CHANGES IN QUALITY

(a) Crude petroleum tendered for transportation will be received by the Carrier only on the condition that it shall be subject to such changes in gravity or quality while in transit as may result from the transportation thereof, or the mixture of said crude petroleum with other crude

petroleum in the pipe lines or tanks of the Carrier.

(b) The Carrier shall be under no obligation to make delivery of the identical crude petroleum received, and

(i) in the case of any stream, other than a mixed stream, shall make delivery out of its common stock of that stream, and

(ii) in the case of a mixed stream, shall make delivery out of its common stock of that stream. Any revaluations deemed appropriate by reason of difference in grade and/or quality that occur, by reason of the mixing, between receipt of the component parts and delivery of the stream, shall be between and for the account of the shipper and consignee. The Carrier shall have no responsibility in or for such revaluations or settlements other than to furnish data on the quality and gravity of the crude petroleum received into and delivered out of the mixed stream.



## RULES AND REGULATIONS

(c) Notwithstanding the provisions of sub-section (a) and (b) of this section, if the crude petroleum tendered is of a kind or quality not being currently transported through Carrier's facilities, Carrier will at the request of the shipper and to the extent permitted by its existing facilities, endeavor to segregate such crude petroleum during transportation and to make delivery of substantially the same crude petroleum at destination; provided that in such instances Carrier may require the shipper to make such crude petroleum available in such quantities and at such times as may be necessary to permit such segregated movement; and provided further that Carrier shall not be liable for failure to deliver the identical crude petroleum or for any variations in quality while in its custody.

### 6. TENDERS AND QUANTITIES

Shippers desiring to tender crude petroleum for transportation shall make such tender to the initial Carrier by submitting, on the Carrier's prescribed Notice of Shipment form, a separate tender for each calendar month on or before the 25th day of the preceding month.

A tender will be accepted only when the total quantity covered thereby will be made available for transportation within said calendar month at a daily rate, or in quantities and at times, to be specified by the Carrier. Except as hereunder provided, the Carrier will not specify a daily rate or a quantity of less than 5,000 barrels.

If space is available and operating conditions permit the Carrier may, at its discretion, accept tenders after the 25th of the month and take delivery of crude petroleum in lots of less than 5,000 barrels. However in no event will the Carrier undertake to make a single delivery of less than 5,000 barrels. A single delivery is a delivery in one continuous operation into a single facility to which the Carrier is connected.

### 7. GAUGING, TESTING AND DEDUCTIONS

Prior to acceptance of crude petroleum tendered by a shipper, or release thereof for delivery to a consignee, it shall be gauged and tested by a representative of the Carrier. At the option of the Carrier the crude petroleum may be measured by metering rather than gauging. The results

of such gauging or metering and testing shall be final. If tank gauges are used, quantities shall be computed from correctly compiled tank tables on a one hundred percent volume basis. The shipper or consignee may be present or represented at such gauging or metering and testing. A representative of the Carrier shall have the right to enter upon the premises where such crude petroleum is received or delivered and have access to any and all tanks, storage receptacles or meters for the purpose of such gauging or metering and testing and to make any examination, inspection, measurement or test authorized by these regulations.

Crude petroleum of required specification will be received and delivered with volume corrected as to temperature from observed degrees Fahrenheit to sixty degrees Fahrenheit. A centrifuge machine or other methods agreed upon shall be used for ascertaining the percentage of basic sediment, water or other impurities in the crude petroleum and the full amount of basic sediment, water, and other impurities shall be deducted from the corrected volume. A further deduction of ONE PERCENT will be made by the Carrier to cover losses inherent in the transportation of crude petroleum by pipe line. The net balance at sixty degrees Fahrenheit will be the quantity deliverable by Carrier and transportation charges will be assessed in accordance therewith.

### 8. EVIDENCE OF RECEIPTS AND DELIVERIES

Crude petroleum received from the shipper and delivered to the consignee shall, in each instance, be evidenced by tickets, showing quantity received or delivered as case may be, temperature, basic sediment and water, and any other data essential to the determination of quantity.

Such tickets shall be jointly signed by representatives of Carrier and the shipper or consignee, as appropriate, and shall constitute full receipt for the crude petroleum received or delivered.

### 9. DELIVERY AND DEMURRAGE

The Carrier will transport crude petroleum with reasonable diligence and dispatch and shipper or consignee shall upon twenty-four (24) hours' notice accept and remove its shipment from delivery facilities of the Carrier.

If shipment is not being removed in a reasonable manner after expiration of the twenty-four hours' notice from Carrier, then a demurrage charge of four-tenths of one cent (0.4¢) per barrel per day of twenty-four hours shall accrue on all crude petroleum not removed.

### 10. PAYMENT OF TARIFF CHARGES AND LIEN FOR UNPAID CHARGES

The shipper or consignee shall pay all applicable transportation and other lawful charges accruing on crude petroleum delivered to and accepted by Carrier for shipment, and, if required, shall pay the same before delivery at destination. Carrier shall have a lien on all crude petroleum in its possession belonging to shipper or consignee to secure

the payment of any and all unpaid transportation or other lawful charges that are due Carrier, that are unpaid by shipper or consignee, and may withhold such crude petroleum from delivery until all unpaid charges shall

## RULES AND REGULATIONS

have been paid. If said charges remain unpaid ten (10) days after notice and demand therefor, the Carrier shall have the right, through an agent, to sell such crude petroleum at public auction, at the office of Westspur Pipe Line Company in Estevan, Saskatchewan, Canada, on any day not a legal holiday, on and not less than forty-eight (48) hours after publication of notice of such sale in a daily newspaper of general circulation published in said city, stating the time, place of sale, and the quantity and location of crude petroleum to be sold. At said sale Carrier shall have the right to bid and, if the highest bidder, to become the purchaser. From the proceeds of said sale Carrier will pay itself the transportation and all other lawful charges, including reasonable storage charges pending sale and expenses incident to said sale, and the balance remaining, if any, shall be held for whomsoever may be lawfully entitled thereto.

**11. APPORTIONMENT WHEN  
CURRENT OFFERINGS  
ARE IN EXCESS  
OF FACILITIES**

When pursuant to tenders hereunder there shall be offered to Carrier more crude petroleum than can be immediately transported, the transportation shall be apportioned among all shippers in proportion to the rate at which deliveries are currently offered to Carrier under tenders then in effect.

**12. APPLICATION OF RATES**

Crude petroleum accepted for transportation shall be subject to the rates in effect on the date of receipt of such crude petroleum by the originating Carrier, irrespective of the date of the tender.

**13. DIVERSION AND  
RECONSIGNMENT**

Diversion or reconsignment may be made without charge if requested in writing by the shipper prior to delivery at original destination, subject to the rates, rules and regulations applicable from original reception point to final delivery point, upon condition that no out-of-line or backhaul movement will be made.

**14. CRUDE PETROLEUM  
INVOLVED IN  
LITIGATION AND  
LEGALITY OF SHIPMENT**

Crude petroleum which is in any way involved in litigation, or the ownership of which may be in dispute, or which is encumbered by a lien or charge of any kind, will not be accepted for shipment, unless and until the shipper or consignee shall furnish a bond or other form of indemnity satisfactory to Carrier, protecting it against any liability or loss arising as a result of such litigation, dispute, lien or charge.

**15. LIABILITY OF CARRIER**

No Carrier in possession of any of the crude petroleum herein described shall be liable for any loss thereof, damage thereto or delay caused by fire, storm, flood, epidemics, Acts of God, riots, insurrection, rebellion, sabotage, strikes, labour disturbances, shortage of labour or breakdown of transportation or storage facilities, war, or the acts of the Queen's enemies or the public enemies of the United States, or from quarantine, or authority of law or from any order, requisition, interest or necessity of the Governments of Canada or the United States, default of the owner, shipper or consignee, or from any cause whatsoever, whether enumerated herein or not, except its own direct negligence.

In case of the loss of crude petroleum while in the custody of the Carrier from any such causes, other than the direct negligence of the Carrier, each shipper shall participate in such loss in such proportion as the amount of his crude petroleum, already delivered to Carrier for shipment past the point at which the loss occurs, bears to all the crude petroleum then in the custody of the Carrier received for shipment past the said point; provided, however, that if such loss occurs at a tank or tanks, and it is possible to ascertain the ownership of the crude petroleum in such tank or tanks, the full loss shall be charged against the shipper or proportionately among the shippers using such tank or tanks at the time of such loss. In either such event each shipper shall be entitled to have delivered only that portion of his shipment as may remain after deduction of his proportion of such loss, and he will be required to pay charges only upon the quantity of crude petroleum delivered.

**16. CLAIMS, SUITS AND  
TIME FOR FILING**

As a condition precedent to recovery, claims for loss, damage or delay in connection with the shipment of crude petroleum tendered for shipment under the terms of this tariff must be filed in writing with the initial or delivering Carrier within one month after delivery of the crude petroleum, or, in the case of failure to make delivery, then within one month after a reasonable time for delivery has elapsed; and suits arising out of such claims must be instituted against the Carrier within six (6) months from the day when notice in writing is given by the Carrier to the claimant that the Carrier has disallowed the claim or any part or parts thereof specified in the notice. In causing crude petroleum to be transported under this tariff, the shipper and consignee agree to be bound by provisions of this clause and waive any rights which they or either of them might otherwise have, at common law or otherwise, to make a claim after the expiration of the said period of thirty (30) days or to bring an action after the expiration of the said period of six (6) months.



No supplement to this tariff will be issued except for the purpose of cancelling the tariff unless otherwise specifically authorized by the Commission.

I.C.C. No. 4  
Cancels I.C.C. No. 2

# WESTSPUR PIPE LINE COMPANY

in connection with  
INTERPROVINCIAL PIPE LINE COMPANY (FX3 No. 2)  
and  
LAKEHEAD PIPE LINE COMPANY, INC. (FX3 No. 3)

## JOINT TARIFF APPLYING ON MEDIUM\* CRUDE PETROLEUM

(\*Having an A.P.I. Gravity of not less than 25° at 60° Fahrenheit)

The rates named in this tariff are for trunk line transportation of medium crude petroleum by pipe line subject to the Rules and Regulations published herein.

FROM	TO	Rate in cents per barrel
Midale Station (R.M. of Cymri) Saskatchewan, Canada	Wrenshall (Carlton County) Minnesota, U.S.A.	● 47
	or	
Steelman Station (R.M. of Browning No. 34) Saskatchewan, Canada	Superior Terminal (Douglas County) Wisconsin, U.S.A.	● 44

Route: Via Westspur Pipe Line Company to Cromer, Manitoba; Interprovincial Pipe Line Company and Lakehead Pipe Line Company, Inc. to destination.

Shipments transported under this tariff are entitled to such privileges and subject to such charges as are or shall be published by this Company, or any of the carriers parties to this tariff, and such as are lawfully in effect on date of shipment, and lawfully on file with the Interstate Commerce Commission (U.S.A.) providing for reconsignment, storage, transit privileges, or any other privileges, charges or rules which in any way increase or decrease the amount to be paid on any shipment transported under this tariff, or which increase or decrease the value of the service to the shipper.

● The rates per barrel shall be payable as follows:  
53% in United States currency.  
47% in Canadian currency, or its equivalent in United States currency.

● Denotes Reductions

ISSUED AUGUST 16, 1957

EFFECTIVE SEPTEMBER 16, 1957

ISSUED BY

C. HAY

President, Westspur Pipe Line Company

1810 Albert Street

Regina, Saskatchewan, Canada



## RULES AND REGULATIONS

### 1. DEFINITIONS

As used in this tariff, the following terms have the following meanings:

"Crude petroleum" means the direct product of oil wells or a mixture of the direct product of oil wells and the indirect petroleum products resulting either from refining crude petroleum or from the operation of gasoline recovery plants, gas recycling plants or distillate recovery equipment in gas and distillate fields.

"Barrel" means forty-two (42) United States gallons, 34.972 Imperial gallons at a temperature of sixty (60) degrees Fahrenheit.

"Carrier" means Westspur Pipe Line Company and other pipe line companies participating in this tariff.

"I.C.C." means Interstate Commerce Commission of the United States.

"A.P.I." means American Petroleum Institute.

"R.M." means Rural Municipality.

"Tender" means an offer by a shipper to the Carrier of a stated quantity of crude petroleum for transportation from a specified reception point or points to a specified delivery point or points in accordance with these rules and regulations.

"Regular Delivery Point" as used herein means each of the following: Minnesota Pipe Line Company's terminalling delivery points at St. Paul Park and Pine Bend, Minnesota; Lakehead Pipe Line Company's marine terminal at Superior, Wisconsin; Interprovincial Pipe Line Company's terminalling delivery points at Sarnia, Ontario; all intermediate operating pumping stations of Interprovincial Pipe Line Company and Lakehead Pipe Line Company, Inc., between Cromer, Manitoba, Canada and Sarnia, Ontario, Canada.

### 2. COMMODITY

The Carrier is engaged in the transportation of crude petroleum by pipe line and will not accept any other commodity for transportation.

### 3. DESTINATION FACILITIES

(a) Crude petroleum will be accepted for transportation only at established receiving points and when consigned to the shipper or consignee at one or more regular delivery points.

(b) Notwithstanding the provisions of subsection (a) above, the Carrier will, where practicable, deliver common stock crude petroleum at other than regular delivery points, provided that not less than 50% of the particular batch of the common stream crude petroleum currently being transported in the section of the pipe line adjacent to the proposed takeoff point is consigned to one or more delivery points further downstream on the line.

(c) Crude petroleum will be accepted for transportation only when the shipper or consignee has provided the necessary tankage and other facilities satisfactory to the Carrier at the named delivery point for handling the crude petroleum at the rate of flow at which the Company is then operating its pipe line at such delivery point.

### 4. SPECIFICATIONS AS TO QUALITY

No crude petroleum will be accepted for transportation that has a Reid vapor pressure in excess of ten pounds at one hundred degrees Fahrenheit or that has basic sediment, water or other impurities in excess of one-half of one percent as determined by the centrifugal test or by other tests as

may be agreed upon by the shipper and Carrier.

No crude petroleum will be accepted unless its gravity, viscosity and other characteristics are such that it will be readily susceptible of transportation through the Carrier's existing facilities and which will not materially affect the quality of other shipments or cause disadvantage to other shippers and/or the Carrier.

### 5. SEGREGATION AND CHANGES IN QUALITY

(a) Crude petroleum tendered for transportation will be received by the Carrier only on the condition that it shall be subject to such changes in gravity or quality while in transit as may result from the transportation thereof, or the mixture of said crude petroleum with other crude

petroleum in the pipe lines or tanks of the Carrier.

(b) The Carrier shall be under no obligation to make delivery of the identical crude petroleum received, and

(i) in the case of any stream, other than a mixed stream, shall make delivery out of its common stock of that stream, and

(ii) in the case of a mixed stream, shall make delivery out of its common stock of that stream. Any revaluations deemed appropriate by reason of difference in grade and/or quality that occur, by reason of the mixing, between receipt of the component parts and delivery of the stream, shall be between and for the account of the shipper and consignee. The Carrier shall have no responsibility in or for such revaluations or settlements other than to furnish data on the quality and gravity of the crude petroleum received into and delivered out of the mixed stream.

## RULES AND REGULATIONS

(c) Notwithstanding the provisions of sub-section (a) and (b) of this section, if the crude petroleum tendered is of a kind or quality not being currently transported through Carrier's facilities, Carrier will at the request of the shipper and to the extent permitted by its existing facilities, endeavor to segregate such crude petroleum during transportation and to make delivery of substantially the same crude petroleum at destination; provided that in such instances Carrier may require the shipper to make such crude petroleum available in such quantities and at such times as may be necessary to permit such segregated movement; and provided further that Carrier shall not be liable for failure to deliver the identical crude petroleum or for any variations in quality while in its custody.

### 6. TENDERS AND QUANTITIES

Shippers desiring to tender crude petroleum for transportation shall make such tender to the initial Carrier by submitting, on the Carrier's prescribed Notice of Shipment form, a separate tender for each calendar month on or before the 25th day of the preceding month.

A tender will be accepted only when the total quantity covered thereby will be made available for transportation within said calendar month at a daily rate, or in quantities and at times, to be specified by the Carrier. Except as hereunder provided, the Carrier will not specify a daily rate or a quantity of less than 5,000 barrels.

If space is available and operating conditions permit the Carrier may, at its discretion, accept tenders after the 25th of the month and take delivery of crude petroleum in lots of less than 5,000 barrels. However in no event will the Carrier undertake to make a single delivery of less than 5,000 barrels. A single delivery is a delivery in one continuous operation into a single facility to which the Carrier is connected.

### 7. GAUGING, TESTING AND DEDUCTIONS

Prior to acceptance of crude petroleum tendered by a shipper, or release thereof for delivery to a consignee, it shall be gauged and tested by a representative of the Carrier. At the option of the Carrier the crude petroleum may be measured by metering rather than gauging. The results

of such gauging or metering and testing shall be final. If tank gauges are used, quantities shall be computed from correctly compiled tank tables on a one hundred percent volume basis. The shipper or consignee may be present or represented at such gauging or metering and testing. A representative of the Carrier shall have the right to enter upon the premises where such crude petroleum is received or delivered and have access to any and all tanks, storage receptacles or meters for the purpose of such gauging or metering and testing and to make any examination, inspection, measurement or test authorized by these regulations.

Crude petroleum of required specification will be received and delivered with volume corrected as to temperature from observed degrees Fahrenheit to sixty degrees Fahrenheit. A centrifuge machine or other methods agreed upon shall be used for ascertaining the percentage of basic sediment, water or other impurities in the crude petroleum and the full amount of basic sediment, water, and other impurities shall be deducted from the corrected volume. A further deduction of ONE PERCENT will be made by the Carrier to cover losses inherent in the transportation of crude petroleum by pipe line. The net balance at sixty degrees Fahrenheit will be the quantity deliverable by Carrier and transportation charges will be assessed in accordance therewith.

### 8. EVIDENCE OF RECEIPTS AND DELIVERIES

Crude petroleum received from the shipper and delivered to the consignee shall, in each instance, be evidenced by tickets, showing quantity received or delivered as case may be, temperature, basic sediment and water, and any other data essential to the determination of quantity.

Such tickets shall be jointly signed by representatives of Carrier and the shipper or consignee, as appropriate, and shall constitute full receipt for the crude petroleum received or delivered.

### 9. DELIVERY AND DEMURRAGE

The Carrier will transport crude petroleum with reasonable diligence and dispatch and shipper or consignee shall upon twenty-four (24) hours' notice accept and remove its shipment from delivery facilities of the Carrier.

If shipment is not being removed in a reasonable manner after expiration of the twenty-four hours' notice from Carrier, then a demurrage charge of four-tenths of one cent (0.4¢) per barrel per day of twenty-four hours shall accrue on all crude petroleum not removed.

### 10. PAYMENT OF TARIFF CHARGES AND LIEN FOR UNPAID CHARGES

The shipper or consignee shall pay all applicable transportation and other lawful charges accruing on crude petroleum delivered to and accepted by Carrier for shipment, and, if required, shall pay the same before delivery at destination. Carrier shall have a lien on all crude petroleum in its possession belonging to shipper or consignee to secure

the payment of any and all unpaid transportation or other lawful charges that are due Carrier, that are unpaid by shipper or consignee, and may withhold such crude petroleum from delivery until all unpaid charges shall



## RULES AND REGULATIONS

have been paid. If said charges remain unpaid ten (10) days after notice and demand therefor, the Carrier shall have the right, through an agent, to sell such crude petroleum at public auction, at the office of Westspur Pipe Line Company in Estevan, Saskatchewan, Canada, on any day not a legal holiday, on and not less than forty-eight (48) hours after publication of notice of such sale in a daily newspaper of general circulation published in said city, stating the time, place of sale, and the quantity and location of crude petroleum to be sold. At said sale Carrier shall have the right to bid and, if the highest bidder, to become the purchaser. From the proceeds of said sale Carrier will pay itself the transportation and all other lawful charges, including reasonable storage charges pending sale and expenses incident to said sale, and the balance remaining, if any, shall be held for whomsoever may be lawfully entitled thereto.

- |   |  |
|---|--|
| <b>11. APPORTIONMENT WHEN CURRENT OFFERINGS ARE IN EXCESS OF FACILITIES</b> | <p>When pursuant to tenders hereunder there shall be offered to Carrier more crude petroleum than can be immediately transported, the transportation shall be apportioned among all shippers in proportion to the rate at which deliveries are currently offered to Carrier under tenders then in effect.</p>  |
| <b>12. APPLICATION OF RATES</b>   | <p>Crude petroleum accepted for transportation shall be subject to the rates in effect on the date of receipt of such crude petroleum by the originating Carrier, irrespective of the date of the tender.</p>  |
| <b>13. DIVERSION AND RECONSIGNMENT</b>                                      | <p>Diversion or reconsignment may be made without charge if requested in writing by the shipper prior to delivery at original destination, subject to the rates, rules and regulations applicable from original reception point to final delivery point, upon condition that no out-of-line or backhaul movement will be made.</p>   |
| <b>14. CRUDE PETROLEUM INVOLVED IN LITIGATION AND LEGALITY OF SHIPMENT</b>  | <p>Crude petroleum which is in any way involved in litigation, or the ownership of which may be in dispute, or which is encumbered by a lien or charge of any kind, will not be accepted for shipment, unless and until the shipper or consignee shall furnish a bond or other form of indemnity satisfactory to Carrier, protecting it against any liability or loss arising as a result of such litigation, dispute, lien or charge.</p>   |
| <b>15. LIABILITY OF CARRIER</b>   | <p>No Carrier in possession of any of the crude petroleum herein described shall be liable for any loss thereof, damage thereto or delay caused by fire, storm, flood, epidemics, Acts of God, riots, insurrection, rebellion, sabotage, strikes, labour disturbances, shortage of labour or breakdown of transportation or storage facilities, war, or the acts of the Queen's enemies or the public enemies of the United States, or from quarantine, or authority of law or from any order, requisition, interest or necessity of the Governments of Canada or the United States, default of the owner, shipper or consignee, or from any cause whatsoever, whether enumerated herein or not, except its own direct negligence.</p> <p>In case of the loss of crude petroleum while in the custody of the Carrier from any such causes, other than the direct negligence of the Carrier, each shipper shall participate in such loss in such proportion as the amount of his crude petroleum, already delivered to Carrier for shipment past the point at which the loss occurs, bears to all the crude petroleum then in the custody of the Carrier received for shipment past the said point; provided, however, that if such loss occurs at a tank or tanks, and it is possible to ascertain the ownership of the crude petroleum in such tank or tanks, the full loss shall be charged against the shipper or proportionately among the shippers using such tank or tanks at the time of such loss. In either such event each shipper shall be entitled to have delivered only that portion of his shipment as may remain after deduction of his proportion of such loss, and he will be required to pay charges only upon the quantity of crude petroleum delivered.</p> |
| <b>16. CLAIMS, SUITS AND TIME FOR FILING</b>                                | <p>As a condition precedent to recovery, claims for loss, damage or delay in connection with the shipment of crude petroleum tendered for shipment under the terms of this tariff must be filed in writing with the initial or delivering Carrier within one month after delivery of the crude petroleum, or, in the case of failure to make delivery, then within one month after a reasonable time for delivery has elapsed; and suits arising out of such claims must be instituted against the Carrier within six (6) months from the day when notice in writing is given by the Carrier to the claimant that the Carrier has disallowed the claim or any part or parts thereof specified in the notice. In causing crude petroleum to be transported under this tariff, the shipper and consignee agree to be bound by provisions of this clause and waive any rights which they or either of them might otherwise have, at common law or otherwise, to make a claim after the expiration of the said period of thirty (30) days or to bring an action after the expiration of the said period of six (6) months.</p>   |



A P P E N D I X 2

MAP OF PIPE LINE SYSTEM



# SUMMARY OF PIPE INSTALLED-Miles

APPENDIX #3.

FIELD	BATTERIES CONNECTED					PIPE INSTALLED						
	1956	1957	TOTAL	4"	6"	8"	10"	TOTAL	4"	6"	8"	TOTAL

MIDALE	41	9	50	0.30	22.68	5.76	1.63	30.37	-	5.84	-	5.84	36.21
WEST KINGSFORD	-	5	5	-	-	-	-	-	4.53	-	-	4.53	4.53
STEELMAN AREA*	38	61	99	16.59	16.96	1.89	-	35.44	32.18	12.21	3.24	46.33	83.07
FROBISHER	11	-	11	3.22	1.77	-	-	4.99	-	-	-	-	4.99
ALIDA-EDENVALE	11	1	12	4.02	5.28	-	-	9.30	0.58	-	-	0.58	9.88
ARLINGTON-MANOR	-	5	5	-	-	-	-	-	1.44	6.42	-	7.86	7.86
NORTH NOTTINGHAM	2	3	5	2.70	-	-	-	2.70	1.58	-	-	1.58	4.28
NOTTINGHAM	8	-	8	5.60	0.84	-	-	6.44	-	-	-	-	6.44
INGOLDSBY-ROSEBANK	9	-	9	3.05	9.00	-	-	12.05	-	-	-	-	12.05
CANTAL	-	4	4	-	-	-	-	-	3.76	0.37	-	4.13	4.13
SOUTH HASTINGS	-	7	7	-	-	-	-	-	2.58	-	-	2.58	2.58
GLEN EMEN*	-	65	65	-	-	-	-	-	27.16	19.73	2.95	49.84	49.84
(Carnduff and Oxbow)	-	-	-	-	-	-	-	-	-	-	-	-	-
NOTTINGHAM SPUR	-	-	-	-	-	7.41	-	7.41	-	-	-	-	7.41
GLEN EMEN SPUR	-	-	-	-	-	-	-	-	-	-	19.95	19.95	19.95

TOTALS	120	160	280	35.48	56.53	15.06	1.63	108.70	73.81	44.57	26.14	144.52	253.22
12" Main Line, Midale to Cromer													
16" Loop, Steelman to Cromer								109.14					

TOTAL PIPE INSTALLED-	217.84	75.35	219.87	437.71
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TERMINAL	TRUCK TANKS	TERMINAL TANKS
Midale	2000	20,000
Steelman	3500	40,000
Frobisher	1500	10,000
Alida	3000	40,000
Glen Ewen	1500	10,000





APPENDIX 4CORPORATE STRUCTURE AND POWERS

## PRODUCERS PIPELINES LTD.

Producers was incorporated on February 27, 1957, under The Companies Act, R.S.S. 1953, Cap. 124, and each year obtains from the Provincial Secretary a license to carry on business. The authorized share capital is \$10,000,000, divided into 100,000 common shares of \$10.00 par value and 900,000 redeemable preference shares of \$10.00 par value.

The objects for which the Company is established are set out in the following extract from the Memorandum of Association:

(a) To construct, purchase, lease or otherwise acquire, and hold, develop, operate, maintain, control, lease, sell, convey or otherwise dispose of and turn to account one or more pipe lines for the transmission and transportation of gas or oil or other liquid and gaseous substances, including pumping stations, gathering systems, terminals, storage tanks or reservoirs and all works and undertakings, plant, machinery and equipment necessary or desirable for use in connection with the said pipe lines or any of them;

(b) To carry on one or more of the businesses of transporting, storing, distributing, refining, treating, processing, manufacturing, exploring for, prospecting for, producing, buying, selling and otherwise dealing in petroleum oil, natural gas, artificial gas, mineral substances and the products, by-products and derivatives therefrom;

(c) To make, acquire, produce, hold, operate, use, dispose of and otherwise deal in and with the said substances and products, rights to and interests in land and other properties from which they may be derived, drilling, pumping, mining, milling, reducing, refining, smelting and other plants, equipment or apparatus for producing, manufacturing treating and otherwise working with such substances and products;

(d) To make, acquire, produce, hold, operate, use, dispose of and otherwise deal in and with pipe lines, pumping stations, tank cars, tank trucks, motor vehicles, tank ships, boats, barges, two boats and other conveyances, tanks terminals, and other rights and properties, real personal or mixed which may be necessary or convenient for the conduct of the Company's business.

(e) To carry on the business of carriers of goods and passengers by land, water or air.

(f) Subject to the provisions of any statute of the Parliament of Canada in force from time to time relating to radio reception and/or transmission, and to any lawful rules and regulations made or promulgated thereunder, to acquire, lease or establish, equip, maintain and operate any radio and/or wireless broadcasting and receiving station for the purpose of





transmitting or receiving through the air wireless or radio message of any kind, either independently or in conjunction with any telegraphic, telephonic, physical or other conducting means, including television broadcasting, to manufacture, buy, sell, import, export, use, lease, license, let, install or in any other manner deal in and with the whole or any part or parts of any electrical, automotive, wireless, radio or magnetic article, machinery, equipment, appliance or device used in connection with the broadcasting receiving or transmitting through the air of any sounds, messages or images whatsoever which may be transmitted by wireless, radio or television apparatus.

(g) To carry on the business of operators, dealers in, manufacturers, letters, hirers, repairers, storers and warehousemen of aeroplanes, airships and flying machines of all kinds, and all motors machinery, gear, component parts, accessories, fittings, implements, utensils, appliances, apparatus, lubricants, solutions and all things capable of being used therewith or in connection therewith or in the operation, manufacture, maintenance and working thereof.

(h) To take or otherwise acquire and hold shares, stock, debentures or other securities of any company, wherever incorporated, and to sell or re-issue, with or without guarantee, or otherwise deal with the same.

(i) To carry on any other business or calling which may be conveniently carried on, or which is calculated directly or indirectly to enhance the value of, or render profitable any of the Company's property or rights.

The Company has, in addition to the foregoing the ancillary powers conferred by Section 30 of The Companies Act. These comprehensive powers are grouped under twenty-four paragraphs.

#### WESTSPUR PIPE LINE COMPANY

Westspur was incorporated by Special Act of the Parliament of Canada (Chapter 82, 3-4 Eliz. II) which was assented to on the 26th day of May, 1955.

The Company, by Section 5, is vested with "all the powers, "privileges and immunities conferred by, and (shall) be subject to all the "limitations, liabilities and provisions of the Pipe Lines Act and any "other general legislation relating to pipe lines enacted by Parliament "with respect to the transportation of crude oil and other liquid and gaseous "hydrocarbons."

By Section 6 (a), the Company, subject to such limitations and provisions may:

"Within Canada in the Northwest Territories and the  
"Provinces of British Columbia, Alberta, Saskatchewan  
"and Manitoba and outside Canada, construct, purchase  
"lease, or otherwise acquire and hold, develop, operate,  
"maintain, control, lease, mortgage, create liens upon  
"sell, convey or otherwise dispose of and turn to account



"any and all interprovincial and extra-provincial pipe  
 "lines connecting a province with any other or others of  
 "the provinces or extending beyond the limits of a province  
 "and all works and appurtenances relative thereto for  
 "gathering, processing, transmitting, transporting,  
 "storing and delivering crude oil and other liquid and  
 "gaseous hydrocarbons, provided that the main pipe line  
 "or main pipe lines for the transmission of gaseous  
 "hydrocarbons shall be located entirely within Canada;  
 "and own, lease, sell, operate and maintain aircraft and  
 "aerodromes for the purpose of its undertaking, together  
 "with the facilities required for the operation of such  
 "aircraft and aerodromes; and own, lease, operate and  
 "maintain interstation telephone, teletype and telegraph  
 "communication systems, and subject to the Radio Act,  
 "and any other statute relating to radio, own, lease,  
 "operate and maintain, interstation radio communication  
 "facilities;".

By Section 6 (b) and (c) subject to the same limitations and provisions the Company may:

"Purchase, hold, lease, sell, improve, exchange or otherwise  
 "deal in real property or any interest and rights therein  
 "legal or equitable or otherwise howsoever and deal with any  
 "portion of the lands and property so acquired, and may  
 "subdivide the same into building lots and generally lay the  
 "same out into lots, streets and building sites for residential  
 "purposes or otherwise and may construct streets thereon and  
 "necessary sewerage and drainage systems and build upon the  
 "same for residential purposes or otherwise and supply any  
 "buildings so erected, or other buildings erected upon such  
 "lands with electric light, heat, gas, water or other  
 "requisites, either to its employees or to others; and leave  
 "or sell the same, upon such terms and subject to such  
 "conditions as appear requisite;

"(c) exercise as ancillary and incidental to the purposes  
 "or objects set forth in this Act, the powers following,  
 "unless such powers or any of them are expressly excluded  
 "by this Act, namely, the powers set forth in paragraphs  
 "(a) to (bb) inclusive of subsection (1) of Section 14 of  
 "The Companies Act."

By Section 7 certain other provisions of The Companies Act (R.S. 1957 Chapter 53) are applied to the Company.

By Section 3 the capital stock of the Company consists of 2,000,000 shares without nominal or par value. By Section 4 the Head Office of the Company and the domicile of the Company in Canada, are in the City of Winnipeg, in the Province of Manitoba. The Company may by by-law, change the place where the Head Office of the Company is to be situate. On the 8th March, 1957, by by-law the Company changed the situation of the Head Office to Regina, in the Province of Saskatchewan.





By Section 9, under certain conditions, the redemption or purchase for cancellation of any fully paid shares, not being common or ordinary shares, shall not be deemed to be a reduction of the paid up capital of the Company.

By Section 10 the Company was empowered to pay a commission on subscription.

The Company is registered as an Extra-Provincial Company in the Provinces of Saskatchewan, Manitoba and Alberta.

The application of the provisions of the Pipe Line Acts of Canada and Saskatchewan are considered later under the heading "Federal and Provincial Jurisdiction".

#### OFFICERS AND DIRECTORS

The Officers of Producers and Westspur are identical.

President	Mr. C. Hay
Vice President & General Manager	Mr. J. A. Harvie
Vice President	Mr. R. A. Cruickshank
Vice President	Mr. F. C. Whiteside
Treasurer	Mr. K. S. C. Mulhall
Secretary	Mr. D. M. Tyerman
Assistant Treasurer & Assistant Secretary	Mr. R. B. Richards

The following are Directors of both Companies:

Mr. C. Hay  
Mr. E. Mishou  
Mr. K. Feldman  
Mr. E. Loughney  
Mr. R. Pringle  
Mr. F. Lantz  
Mr. L. Stevens  
Mr. W. Jeffrey  
Mr. J. Gallagher

Mr. R. Cruickshank is a Director of Producers.





## Appendix #5

FEDERAL JURISDICTION

The interprovincial trunk line from Midale in Saskatchewan to Cromer in Manitoba could only be undertaken by a Company incorporated by a Special Act, because by Section 10A of the Pipe Lines Act of Canada "no person, other than a person having authority under a "Special Act to construct or operate pipe lines for the transportation "of oil or gas, shall construct or operate an Extra-Provincial Pipe "Line...". By Section 2 (b) "Company" means a person having "authority under a Special Act to construct or operate pipe lines for "the transportation of oil or gas." Many of the provisions of the Pipe Lines Act of Canada are adapted from similar provisions of the Railway Act and a number of sections of the Railway Act are incorporated in the Pipe Lines Act of Canada by reference. Pipe lines are subject to the jurisdiction of The Board of Transport Commissioners for Canada.

By Section 4 "The provisions of the Railway Act relating to "sittings of the Board and the disposal of business, witnesses and "evidence, practice and procedure, orders and decisions of the Board, "and appeal therefrom to the Supreme Court of Canada are applicable "with respect to every inquiry, complaint, application or other "proceeding under this Act and the Board shall exercise and enjoy the "same jurisdiction, powers and authority in matters under this Act "as are vested in the Board by the Railway Act." It will be seen that the Board May closely control the activities of a Pipe Line Company.

The approval of the Board is necessary for the following purposes:

The construction of a section or part of a Company pipe line (Section 11(a))

Upon an application for an Order granting leave to construct a line, the Company must file with the Board a map showing the general location of the proposed line and its terminal (Section 12 (1)).

Before commencing construction of the line, the plan, profile and book of reference of the section or part of the proposed line must be approved by the Board and certified copies deposited in the offices of the Registrar of Deeds for the districts or counties through which the Company line is to pass (Section 11 (b) and (c)). When a deviation in a pipe line, as constructed or as proposed and approved, is necessary, then a further plan, profile and book of reference of the portion of the line proposed to be changed, must be submitted for the approval of the Board and certified copies deposited in Land Titles Offices, though the Board may by General Regulation or in a particular case, exempt the Company from the submission of plans, profile and book of reference, in certain circumstances. (Section 20).



No Company shall, without the authority of the Board, locate or construct the Company pipe line so as to obstruct or interfere with or injuriously affect the working of or access to a mine. (Section 23)

No owner, lessee or occupier of mines or minerals located under a company pipe line, or any of the works connected therewith, or within forty yards therefrom, shall work the mines or minerals until leave therefor has been obtained from the Board. (Section 25 (1)). The Board may order the Company from time to time to pay compensation to owners of mines for the severance of land or the interruption of working (Section 26).

Lands in excess of the sixty feet width of right-of-way may be taken with the approval of the Board (Section 29). With the leave of the Board the company pipe line may be carried across any highway, railway, irrigation ditch, underground telegraph, telephone or electric power line or pipe line, though leave may be dispensed with if the construction is in accordance with general regulations, (Section 31.)

The Board may grant leave to others to cross a company pipe line with highways, railways, irrigation ditches, drains, telegraphs, telephone or electric power lines or any pipe line (Section 32).

No Company pipe line shall be open for the transportation of oil or gas until leave has been obtained from the Board (Section 34).

A Company shall not, without the leave of the Board:

- (a) sell, convey or lease to any person its Company Pipe Line, in whole or in part,
- (b) purchase or lease from any person any pipe line for the transportation of oil or gas,
- (c) enter into an Agreement or amalgamation with any other company, or,
- (d) abandon the operation of a company pipe line (Section 10).

The Board has the following positive powers of control:

A Company may be directed to divert or relocate its company line to facilitate the construction or relocation of a highway or railway or any other work affecting a public interest (Section 33).

To promote the safety of operation of a company pipe line the Board may order the company to repair, reconstruct or alter part of the line, and may direct that, until the work has been done, such part of the line shall not be used, and may make orders and regulations providing for the protection of property and the safety of the public and of the company's employees in the operation of a company pipe line (Section 35).

The Board may by Order declare a company to be a common carrier, whether the company has or has not acted or held itself out as a common carrier (Section 39).





The Board may make orders and regulations with respect to all matters relating to traffic, tolls or tariffs (Section 40).

The Board may disallow any tariff that it considers to be contrary to any of the provisions of The Pipe Lines Act of Canada, or to any order or regulation of the Board, and may require a company within a prescribed time to substitute a tariff satisfactory to the Board or may prescribe other tolls in lieu of tolls disallowed, (Section 44).

The Board may prescribe or make regulations with respect to:

(a) the manner in which the accounts of the company shall be kept:

(b) the classes of property for which depreciation charges may properly be included under Operating Expenses and the rate or rates of depreciation that shall be charged with respect to each of such classes of property, and

(c) a uniform system of accounts applicable to any class of Company (Section 52).

Every person constructing or operating a pipeline for the transportation of oil or gas shall prepare and furnish to the Board returns of its capital, traffic, revenues, expenses and all other information required by the Board (Section 53 (1)).

It may be noted that the Board may make orders or regulations exempting lines or parts of lines not exceeding in any one case twenty-five miles in length, from any or all of the provisions of Part I of The Pipe Lines Act of Canada, relating to location, construction or operation of lines and in any Order or Regulation so made the Board may impose such terms and conditions as it considers proper (Section 37).

#### THE PROVINCE OF SASKATCHEWAN

The first Pipe Lines Act in the Province of Saskatchewan was enacted in 1931. The current statute is The Pipe Lines Act, 1954 Cap. 83, as amended in 1956 Cap. 63 and 1957 Cap. 91. The pipe line operated by Westspur is not affected by the provisions of this statute; the system operated by Producers is affected by the statute though some parts of the system operated by Producers are exempt from many of the provisions of the statute. It is therefore important to examine the classification of pipe lines in the statute.

The following definitions are contained in Section 2:

A "Pipe Line" means a pipe line for the transportation or conduct of oil or gas or the transportation or conduct of water incidental to the drilling for or production or manufacture of oil or gas, and includes all property real and personal required for the purpose of the pipe line or used in connection with or incidental to the pipe line and without restricting the generality of the foregoing includes tanks, tank batteries, surface reservoirs, pumps, racks and storage, loading and other terminal facilities and all real property



necessary therefor or used in connection therewith but does not include refining, manufacturing or marketing pipe lines situate wholly within a plant property.

"Gathering" means a pipe line used for the collection of oil or gas within a field as defined in The Oil and Gas Conservation Act.

(NOTE:-"Field" means the general area underlaid by one or more pools; and "Pool" means an underground reservoir containing or appearing to contain an accumulation of oil or gas separated or appearing to be separated from any other such reservoir or accumulation in the general structure.)

"Flow line" means a pipe line used for the transportation or conduct of oil or gas from the well-head to a separator, tank or tank battery.

"Service line" means a pipe line used for the transportation or conduct of oil, gas or water to a well head, drilling rig, surface pit or service tank.

The cardinal principle of The Pipe Lines Act is contained in Section 6 which prohibits the commencement of construction of a pipe line until the Minister of Mineral Resources has granted a permit, but to this there are certain exceptions.

By Section 24:

"(1) This act, except Section 15, subsection (2) of Section 17 and Sections 32a, 32b and 34a does not apply with respect to flow lines, service lines, gathering lines and real property required therefore.

"(2) Notwithstanding subsection (1) the Minister may in any particular case by order declare that any or all of the provisions of this Act shall apply and in any case in which part II is by order declared to apply the person for whose benefit such order is made shall thereupon be deemed for the purpose of part II to be a permittee.

" (4) The Minister may in an order made under Subsection (3) impose such terms and conditions as he deems advisable.

"(5) Notwithstanding an order made under Subsection (3) the Minister may in any particular case by order declare that Part II shall apply and thereupon the person for whose benefit such order is made shall be deemed for the purpose of Part II to be a permittee."

It will therefore be seen that there are a considerable number of pipe lines. using these words in their broadest sense, to which the majority of the provisions of the Saskatchewan Pipe Lines Act do not apply, unless they are made to apply by order of the Minister of Mineral Resources. The system operated by Producers is partly subject to the whole of the Saskatchewan Pipe Lines Act and partly exempt from many of its provisions.





It is now proposed to examine the basic provisions of the statute to which all parts of the system operated by Producers are subject.

By Section 15 "notwithstanding anything contained in this Act or in any permit, no pipe line shall be constructed on, across, over or under a public highway or within three hundred feet of a Provincial highway or within one hundred feet of a public highway other than a Provincial highway, without the written consent of the Minister of Highways and Transportation."

Apart from the express provision in Section 15 the Minister of Highways and Transportation appears to have control of Highway crossings by virtue of Section 5(e) and 62(4) of Highways and Transportation Act R.S.S. 1953 Cap. 23. Under Section 5 (e) which deals with the powers and duties of the Minister of Highways and Transportation, he is given control and regulation of all matters pertaining to the construction, by any person, across or along a public highway of certain things including pipe lines. Under Section 62(4) no person shall, unless authorized by a permit obtained from the Minister of Highways and Transportation, construct any canal or pipe line for the purpose of irrigation or for any other purpose within 300 feet from a provincial highway outside a city, town or village.

In this latter case the granting or refusing of a permit is in the discretion of the Minister of Highways and Transportation and the permit shall be subject to such conditions as may be specified. This appears to be the only section giving directions as to the matters which are to accompany the application and declaring the nature of the Minister's discretion. It applies only to provincial highways. The provisions of various statutes regulating municipal affairs in Saskatchewan, whilst placing local roads under the direction, management and control of local councils appear to make this control subject to the provisions of Section 5(e) of the Highways and Transportation Act, so that the Minister of Highways retains control of all matters appertaining to a construction of a pipe line across local roads. This conclusion is given statutory effect as regards rural municipalities in Section 17 (2) of the pipe lines Act. In the case of a controlled access highway the Minister of Highways and Transportation may under Section 61 (f) of the Highways and Transportation Act, with the approval of the Lieutenant Governor in Council, make regulations with respect to any controlled access highway, amongst other things, regulating or prohibiting the construction, erection and maintenance of gas, oil, sewer and water pipe lines.

By Section 17(2), as above mentioned, "notwithstanding anything contained in The Rural Municipality Act, a permittee shall have the right, subject to having first obtained the written consent of the Minister of Highways and Transportation and to any conditions prescribed by him, to construct, maintain and operate his pipe line or lines across, over or under any public highway."



By Section 32 a (1) "Every person constructing or operating a "pipe line shall prepare and furnish to the Minister returns of its capital, "traffic, revenues, expenses and all other information required by the, "Minister."

By Section 32 b (1) "The Minister may, of his own motion request "a Hearing by the Board, and upon the application in writing of any "interested person he shall, unless he considers the application to be "frivolous or vexatious, order the Board to hold a Hearing with respect to "any matter and make recommendations to him thereon."

" (a) An applicant under sub-section (1) shall furnish the Minister " with such data, information and material which he may require."

By Section 2 "Board" means the Oil and Gas Conservation Board established under The Oil and Gas Conservation Act, and "Minister" means the Minister of Mineral Resources.

By Section 34 (a) the Lieutenant Governor in Council may make regulations and orders with respect to the manner in which accounts of a company that operates a pipe line shall be kept and the classes of property for which depreciation charges may properly be included under Operating Expenses, and the rate or rates of depreciation that shall be charged with respect to each of such classes of property and a uniform system of accounts applicable to any class of Company.

The foregoing describes the provisions to which the system operated by Producers is automatically subject. It will be observed that there is a certain similarity between many of these provisions of the Pipe Lines Act of Saskatchewan and the provisions of the Pipe Lines Act of Canada.

Three sections of the system operated by Producers; namely Alida-Glen Ewen, Arlington-South Manor, and Glen Ewen-Oxbow are subject in full to The Pipe Lines Act of Saskatchewan, and construction Permits were obtained from the Minister of Mineral Resources. The following is a brief review of the full provincial jurisdiction over these particular pipe lines.

By Section 2 "Permittee" means the person to whom a Permit has been granted under The Pipe Lines Act of Saskatchewan, or the person to whom a Permit granted under that Act has been assigned. The status of "Permittee" is important, because until it is obtained the powers of taking and using land contained in Part II of The Pipe Lines Act of Saskatchewan are not available. However, with the consent of the Minister, entry may be made upon any Crown or other lands lying in the intended route of the pipe line for the making of surveys, examinations and other necessary arrangements for the purpose of fixing the site of the pipe line. Right-of-way and works and the parts of the land that are necessary and proper for the pipe line may be ascertained and set out (Section 7).





The procedure for making application for a Construction Permit is governed by Section 8 and Part II of The Pipe Lines Regulations (Order in Council No. 1184/55, Saskatchewan Gazette, June 17, 1955.)

By Section 9, subject to the regulations, the Minister may, upon receipt of the Application, direct the applicant to give notice of the Application to such persons and in such manner that he deems necessary. Alternatively, the Minister may consider the Application without requiring notice to any other person.

The matters to which the Minister is to have regard in considering the Application, are laid down in Section 10. He is to have regard to all the circumstances that appear to him to be relevant and, in particular (a) to the financial responsibility of the Applicant (b) to any public interest that, in the opinion of the Minister, may be affected by the granting or refusal of the Applications, and (c) to the needs and general good of the residents of the Province as a whole.

By Section 11 the Minister may, upon his own motion or upon the application of any interested party, order the Oil and Gas Conservation Board, established under the Oil and Gas Conservation Act, to conduct a public Hearing and to make recommendations to him thereon.

By Section 12 the Minister has an absolute discretion to grant or refuse a Permit, and his decision is final.

Any change in the proposed pipe line must be submitted for approval in the manner already described.

Once the Construction Permit is issued, the Permittee may take and appropriate for the purpose of his undertaking so much of the lands or interest therein of the Crown, other than a public highway or of any other persons, as may be necessary for the building or construction or laying or operating of the pipe line.

The manner in which and the terms upon which a Permittee shall enter upon and use any land, other than a public highway, including lands held by the Crown in right of Saskatchewan, shall be as set forth in any Agreement effected between the Permittee and the owner of the land. In the case of Crown lands, other than a public highway, the interest which a Permittee shall take will be by way of license, right-of-way or easement. In the absence of agreement the Permittee may, without the consent of the owner, forthwith enter upon the land and proceed with the construction of the pipe line. Expropriation proceedings are dealt with in Section 13. The provisions of the Expropriation Act R.S.S. 1953, Cap 52, are to apply if the Permittee has not reached an agreement with the owner within 60 days after entry upon the land. With certain exceptions. The Expropriation Act is deemed to be incorporated in and to be a part of The Pipe Lines Act.

By Section 27, A Permittee shall locate and construct his pipe line and all works connected therewith so as not to endanger the public health or safety, and by Section 28 shall do as little damage as possible, and shall make full compensation for all damage caused. A Permit under The Pipe Lines Act is not assignable or transferrable without the prior approval of the Minister under Section 29.



The foregoing summary deals with jurisdiction over the construction of the pipe line. There is similar jurisdiction over the operation of the pipe line.

By Section 21 no Permittee shall operate a pipe line until he has applied for and obtained from the Minister of Mineral Resources an Operating Permit, permitting the operation of the pipe line in accordance with such Permit and the Construction Permit granted under Section 12 and any amendment thereto. Upon or before applying for an Operating Permit the applicant shall furnish the Minister with complete and detailed plans and specifications as prescribed by the Regulations, and such other information as the Minister may require.

By Section 22, before applying for an Operating Permit, the Permittee shall file a plan, as approved by the Minister, showing the land through which the pipe line passes, in the office of the Registrar for each Land Registration District in which any of the lands are situated, however, the Minister may grant an Interim Operating Permit if there has not been time to deposit plans in the Land Titles Offices.

Detailed provisions as to operating permits are contained in the Pipe Lines Regulations.

No alteration, addition or extension of the pipe line may be made without authority from the Minister of Mineral Resources (Section 25) and no Permittee shall discontinue the operation of his pipe line unless authorized by an Order of the Minister (Section 26).

Under the provisions of Part III of the Pipe Lines Regulations all pipe lines may be subjected to inspection by the Department of Mineral Resources during construction or operation. By Regulation 15 each pipe line company which purchases, acquires, stores, transports or sells oil shall keep and maintain in the Province complete and accurate records of the quantities and charges, and these records must be available for examination at all reasonable times by the Minister or any person authorized by him. Monthly returns of oil purchased, transported or sold from any oil, pool, drainage unit or unitized operation, are required by Regulation 17.

In addition to the jurisdiction of the Province of Saskatchewan over the system operated by Producers, that system is subject to the jurisdiction of the Board of Transport Commissioners in a limited sense, under Section 272 (1) (b) of The Railway Act R.S. 1952 Chapter 234, which enables the Board of Transport Commissioners, upon the application of a land owner who desires to obtain the right to lay water pipes, temporarily or permanently, through, along, upon, across or under a railway, or any works or land of a railway company, to permit the laying of the pipes upon such terms and conditions as the Board may impose. By Section 272 (3) and Order of The Board of Transport Commissioners is not required if the pipes are to be laid or maintained under the railway, with the consent of the railway company, in accordance with the general regulations, plans or specifications adopted or approved by the Board for such purposes. These regulations are contained in General Order No. 812 of the Board of Transport Commissioners which was made on the 12th day of July, 1955, pursuant to Sections 33 and 272 of The Railway Act.





The leave of the Board of Transport Commissioners is also necessary before any pipe line of the system operated by Producers can be carried across any pipe line of the system operated by Westspur. This restriction is contained in Section 32 of The Pipe Lines Act of Canada and the position is governed by General Order No. 813 of the Board of Transport Commissioners made on the 12th of July, 1955.



## Appendix #6

WESTSPUR PIPE LINE COMPANY  
CAPITAL STRUCTURE  
as at December 31, 1957.

Series A 3 3/4% first mortgage bonds maturing \$200,000  
Semi-annually July 1, 1959 to January 1, 1971.  
Authorized - no fixed limitation

Issued and outstanding	\$ 4,800,000
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## Capital:

Authorized 2,000,000 shares without  
nominal or par value

Issued and fully paid 164,804 shares	1,660,040
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Earnings retained	1,099,043
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\$ 7,559,083

Short term loans	3,043,930
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\$10,603,013

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## Appendix #6 (Cont'd)

LIST OF SHAREHOLDERS  
as at December 31, 1956.

Directors' Qualifying Shares	18
Calvan Consolidated Oil & Gas Company Ltd.	13,372
Canadian Gulf Oil Company	13,370
Dome Exploration (Western) Limited	13,370
Imperial Oil Limited	13,370
Royalite Oil Company, Limited	13,370
Sinclair Oil & Gas Company	13,370
Woodley Canadian Oil Company	13,370
Anglo American Exploration Ltd.	9,998
Canadian Devonian Petroleums Ltd.	10,000
Shell Oil Company	9,998
Canadian Superior Oil of California, Ltd.	8,000
Sun Oil Company	8,000
Hudson's Bay Oil & Gas Company, Limited	6,000
Central Leduc Oils Limited	4,800
The British American Oil Company Limited	<u>4,800</u>
	160,004
<u>Later Addition</u>	
Canadian Pipelines	<u>4,800</u>
	<u><u>164,804</u></u>



## Appendix #6

LIST OF SHAREHOLDERS  
as at December 31, 1957.

Directors' Qualifying Shares	32
Producers Pipelines Ltd.	<u>164,772</u>
	164,804
	<u><u>          </u></u>





## Appendix #7

PRODUCERS PIPELINES LTD.  
CAPITAL STRUCTURE  
as at December 31, 1957.

## Capital:

Participating redeemable preference shares of \$10  
par value.

Authorized	900,000 shares	
Issued	329,198 shares	\$3,291,980

Common shares of \$10 par value

Authorized	100,000 shares	
Issued	32,923 shares	329,230

Contributed surplus	273,587
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Earnings retained	<u>66,465</u>
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\$3,961,262



## Appendix #7

LIST OF SHAREHOLDERS  
as at December 31, 1957.

	<u>Common</u>	<u>Preference</u>
Anglo American Exploration Ltd.	1,000	9,000
The British American Oil Company	3,636	36,344
Calvan Consolidated Oil & Gas Company	2,778	27,888
Canadian Devonian Petroleums Ltd.	2,078	20,855
Canadian Superior Oils of California Ltd.	1,600	16,000
Central Del Rio Oils Limited	997	10,010
Dome Exploration(Western) Ltd.	2,778	<del>26</del> ,888
Hudson's Bay Oil & Gas Company Ltd.	1,247	12,512
Imperial Oil Limited	2,778	27,888
Mobil Oil Company of Canada, Ltd.	960	9,600
Royalite Oil Company, Limited	2,778	27,888
Scurry Rainbow Oils Limited	997	10,010
Shell Oil Company of Canada, Limited	2,078	20,855
Sinclair Pipe Line Company	2,778	27,888
Sun Oil Company	1,662	16,684
Woodley Canadian Oil Company	<u>2,778</u>	<u>27,888</u>
	<u>32,923</u>	<u>329,198</u>









